

Financial Report of Semi-annual Report 2021

(I) Auditors' Report

Whether the Semi-annual Report has been audited or not

Yes No

The Company's Semi-annual Report has not been audited.

(II) Financial Statements

All figures in the Notes to the Financial Statements are in RMB.

1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	June 30, 2021	December 31, 2020
Current assets		
Cash at bank and on hand	1,649,433,538	2,125,788,903
Notes receivable	183,242,770	207,966,892
Accounts receivable	842,381,600	681,467,133
Receivables financing	444,025,966	382,527,782
Trading financial assets	382,000,000	
Advances to suppliers	141,433,334	85,928,641
Other receivables	205,710,766	200,969,854
Of which: interest receivable	112,611	
Inventories	1,054,226,305	815,156,318
Other current assets	114,744,303	140,031,544
Total current assets	5,017,198,582	4,639,837,067
Non-current assets		
Investment property	383,084,500	383,084,500
Fixed assets	8,742,434,064	9,145,644,569
Construction in progress	2,290,839,174	1,893,380,611
Right of use assets	9,298,566	
Intangible assets	1,172,586,946	1,139,718,255
Development expenditure	58,155,596	49,153,407
Goodwill	233,375,693	233,375,693

Long-term prepaid expenses	577,769	10,381,937
Deferred tax assets	203,555,196	194,979,414
Other non-current assets	451,995,544	193,359,445
Total non-current assets	13,545,903,048	13,243,077,831
Total assets	18,563,101,630	17,882,914,898
Current liabilities		
Short-term borrowings	312,560,100	352,895,571
Notes payable	304,710,352	144,851,192
Accounts payable	1,242,148,009	1,237,833,051
Contract liabilities	273,225,477	296,776,624
Employee benefits payable	255,406,964	342,352,166
Taxes payable	229,367,695	194,921,071
Other payables	233,274,223	287,332,992
Of which: interest payable	34,601,072	132,133,902
Non-current liabilities due within one year	135,934,639	927,531,709
Other current liabilities	32,329,042	34,586,292
Total current liabilities	3,018,956,501	3,819,080,668
Non-current liabilities		
Long-term borrowings	1,190,557,017	853,253,983
Bonds payable	1,995,284,179	1,994,020,348
Deferred income	574,616,481	498,056,081
Deferred tax liabilities	105,738,792	102,619,932
Total non-current liabilities	3,866,196,469	3,447,950,344
Total liabilities	6,885,152,970	7,267,031,012
Shareholders' equity		
Share capital	3,070,692,107	3,070,692,107
Capital surplus	596,997,085	596,997,085
Other comprehensive income	163,139,310	161,816,819
Special reserve	9,102,592	10,269,002
Surplus reserve	1,036,948,422	1,036,948,422
Undistributed profits	6,381,714,666	5,336,266,412
Total equity attributable to shareholders of parent company	11,258,594,182	10,212,989,847
Minority shareholders' equity	419,354,478	402,894,039
Total shareholders' equity	11,677,948,660	10,615,883,886

Total liabilities and shareholders' equity	18,563,101,630	17,882,914,898
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Legal Representative:Chen Lin Principal in charge of accounting:Wang JianPrincipal of the financialdepartment:Wang Wenxin

2. Balance Sheet of the Parent Company

Unit: RMB

Item	June 30, 2021	December 31,2020
Current assets		
Cash at bank and on hand	299,216,278	1,072,875,571
Trading financial assets	340,000,000	
Advances to suppliers	1,656,513	1,650,184
Other receivables	3,402,565,195	3,803,908,369
Of which: interest receivable	112,611	
Of which: dividends receivable		249,087,257
Other current assets		66,321
Total current assets	4,043,437,986	4,878,500,445
Non-current assets		
Long-term equity investments	6,174,306,870	5,844,507,870
Fixed assets	12,944,175	19,769,193
Intangible assets	348,308	140,836
Other non-current assets	86,071,233	4,546,275
Total non-current assets	6,273,670,586	5,868,964,174
Total assets	10,317,108,572	10,747,464,619
Current liabilities		
Short-term borrowings	114,000,000	49,800,000
Accounts payable	1,551,761	249,721
Employee benefits payable	32,838,881	46,504,458
Taxes payable	6,685,127	9,457,159
Other payables	857,545,717	1,002,135,702
Of which: interest payable	33,556,927	131,513,019
Non-current liabilities due within one year		800,000,000
Total current liabilities	1,012,621,486	1,908,147,040
Non-current liabilities		
Long-term borrowings	892,500,000	700,000,000
Bonds payable	1,995,284,179	1,994,020,348

Deferred income	172,902,300	180,496,249
Total non-current liabilities	3,060,686,479	2,874,516,597
Total liabilities	4,073,307,965	4,782,663,637
Shareholders' equity		
Share capital	3,070,692,107	3,070,692,107
Capital surplus	741,824,399	741,824,399
Surplus reserve	1,051,493,782	1,051,493,782
Undistributed profits	1,379,790,319	1,100,790,694
Total shareholders' equity	6,243,800,607	5,964,800,982
Total liabilities and shareholders' equity	10,317,108,572	10,747,464,619

3. Consolidated Income Statement

Unit: RMB

Item	Half year of 2021	Half year of 2020
I. Total revenue	6,614,802,538	4,424,221,349
Of which: Business income	6,614,802,538	4,424,221,349
II. Total business cost	4,992,720,799	3,967,771,208
Of which: Business cost	4,126,627,145	3,159,567,031
Tax and surcharge	73,966,054	52,338,392
Sales expenses	125,326,015	161,639,534
Administrative expenses	354,914,704	317,419,407
R&D expenses	224,886,882	145,063,647
Financial expenses	86,999,999	131,743,197
Of which: interest expense	101,970,419	152,178,964
Interest income	20,024,847	24,931,363
Plus: Other income	36,553,804	48,009,326
Investment income ("-" "for loss)	3,672,330	
Credit impairment loss ("-" "for loss)	-2,524,048	-2,961,920
Asset impairment loss ("-" "for loss)	-26,753,082	154,053
Income on disposal assets ("-" "for loss)	137,638	-342,005
III. Operational profit ("-" "for loss)	1,633,168,381	501,309,595
Plus: non-operational income	7,551,798	2,218,131
Less: non-operational expenditure	16,461,985	17,535,553
IV. Total profit ("-" "for loss)	1,624,258,194	485,992,173

Less: Income tax expenses	255,280,290	84,115,208
V. Net profit (“-” for net loss)	1,368,977,904	401,876,965
(I) Classification by business continuity		
1. Net profit from continuing operations (“-” for net loss)	1,368,977,904	401,876,965
(II) Classification by ownership		
1. Equity attributable to shareholders of parent company	1,352,517,465	391,466,723
2. Minority shareholder gains and losses	16,460,439	10,410,242
VI. Other comprehensive income net after tax	1,322,491	1,366,772
Other comprehensive income net after tax attributable to shareholders of parent company	1,322,491	1,366,772
(I) Other comprehensive income that will be reclassified into profit and loss	1,322,491	1,366,772
1. Differences on translation of foreign currency financial statements	1,322,491	1,366,772
VII. Total comprehensive income	1,370,300,395	403,243,737
Total comprehensive income attributable to shareholders of parent company	1,353,839,956	392,833,495
Total comprehensive income attributable to minority shareholders	16,460,439	10,410,242
VIII. Earnings per share:		
(I) Basic earnings per share	0.44	0.13
(II) Diluted earnings per share	0.44	0.13

Legal Representative: Chen Lin Principal in charge of accounting: Wang Jian Principal of the financial department: Wang Wenxin

4. Income Statement of the Parent Company

Unit: RMB

Item	Half year of 2021	Half year of 2020
I. Revenue	42,342,857	37,484,754
Less: Business cost		
Tax and surcharge	674,374	1,021,570
Sales expenses		
Administrative expenses	91,345,095	59,530,745
R & D expenses	616,965	9,250
Financial expenses	76,018,822	79,503,361
Of which: interest expense	94,186,512	100,457,503

Interest income	17,977,849	22,683,049
Plus: Other income	2,018,355	1,955,221
Investment income (“- “for loss)	718,475,642	703,591,508
Credit impairment loss (“- “for loss)	-9,473	6,972
Income on disposal assets (“- “for loss)	6,893,580	981
II. Operating profit	601,065,705	602,974,510
Add: Non-operating income	29,967	
Less: Non-operating expenses	15,026,836	4,119,550
III. Total profit (“- “for loss)	586,068,836	598,854,960
Less: Income tax expenses		
IV. Net profit (“- “for loss)	586,068,836	598,854,960
(I) Net profit for continuing operations (“- “for loss)	586,068,836	598,854,960
VI. Total comprehensive income	586,068,836	598,854,960
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	Half year of 2021	Half year of 2020
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	7,148,379,280	4,739,003,316
Refund of taxes and surcharges	33,207,751	11,866,382
Receive other cash related to operating activities	178,825,175	69,696,304
Subtotal of cash inflow from operating activities	7,360,412,206	4,820,566,002
Cash paid for goods and services	3,907,366,000	2,767,721,923
Cash paid to and on behalf of employees	888,450,173	708,599,327
Payments of taxes and surcharges	619,574,024	284,726,645
Pay other cash related to operating activities	246,776,634	279,873,718
Subtotal of cash outflow from operating activities	5,662,166,831	4,040,921,613
Net cash flows from/(used in) operating activities	1,698,245,375	779,644,389
II. Cash flows from investing activities		
Cash received from investment recovery	1,182,000,000	
Cash received from investment income	3,559,719	

Net cash received from disposal of fixed assets, intangible assets and other long-term assets	777,451	723,823
Cash received relating to other investing activities	32,136,351	328,067,104
Subtotal of cash inflows from investing activities	1,218,473,521	328,790,927
Cash paid to acquire fixed assets, intangible assets and other long-term assets	738,492,345	436,165,155
Cash paid for investment	1,644,000,000	
Cash paid relating to other investing activities	6,911,853	21,848,237
Subtotal of cash outflows from investing activities	2,389,404,198	458,013,392
Net cash flows (used in)/from investing activities	-1,170,930,677	-129,222,465
III. Cash flows from financing activities		
Cash received from borrowings	605,996,933	1,243,981,261
Cash received from bond issuance		1,991,680,000
Cash received relating to other financing activities		298,227
Subtotal of cash inflows from financing activities	605,996,933	3,235,959,488
Cash repayments of borrowings	1,099,975,831	1,827,110,966
Cash payments for interest expenses and distribution of dividends or profits	508,082,947	336,678,849
Cash payments relating to other financing activities	390,507	483,358,139
Subtotal of cash outflows from financing activities	1,608,449,285	2,647,147,954
Net cash flows (used in)/from financing activities	-1,002,452,352	588,811,534
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-1,217,711	587,483
V. Net increase/(decrease) in cash and cash equivalents	-476,355,365	1,239,820,941
Add: Cash and cash equivalents at beginning of current period	2,124,028,196	1,831,835,030
VI. Cash and cash equivalents at end of current period	1,647,672,831	3,071,655,971

6. Cash Flow Statement of the Parent Company

Unit: RMB

Item	Half year of 2021	Half year of 2020
I. Cash flows from operating activities		
Refund of taxes and surcharges		613,917
Cash received relating to other operating activities	29,031,997	29,744,731
Sub-total of cash inflows	29,031,997	30,358,648

Cash paid to and on behalf of employees	77,605,388	79,870,460
Payments of taxes and surcharges	11,908,472	7,235,926
Cash paid relating to other operating activities	31,121,887	13,995,974
Sub-total of cash outflows	120,635,747	101,102,360
Net cash flows from/(used in) operating activities	-91,603,750	-70,743,712
II. Cash flows from investing activities		
Cash received from investment recovery	1,090,000,000	
Cash received from investment income	967,450,288	703,591,508
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	101,560	1,000
Cash received relating to other investing activities		300,000,000
Sub-total of cash inflows	2,057,551,848	1,003,592,508
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,669,478	5,332,761
Cash paid for investing activities	1,839,799,000	188,500,000
Sub-total of cash outflows	1,842,468,478	193,832,761
Net cash flows (used in)/from investing activities	215,083,370	809,759,747
III. Cash flows from financing activities		
Cash received from borrowings	314,000,000	832,999,801
Cash received from issuing bonds		1,991,680,000
Cash received relating to other financing activities	143,736,716	
Sub-total of cash inflows	457,736,716	2,824,679,801
Cash repayments of borrowings	857,300,000	1,331,999,801
Cash payments for interest expenses and distribution of dividends or profits	497,947,983	308,585,809
Other cash paid relating to financing activities		722,080,591
Subtotal of cash outflows from financing activities	1,355,247,983	2,362,666,201
Net cash flows (used in)/from financing activities	-897,511,267	462,013,600
IV. Effect of foreign exchange rate changes on cash and cash equivalents	372,354	5,810
V. Net increase/(decrease) in cash and cash equivalents	-773,659,293	1,201,035,445
Add: Cash and cash equivalents at beginning of current period	1,071,200,364	1,407,215,863
VI. Cash and cash equivalents at end of current period	297,541,071	2,608,251,308

7. Consolidated Statement of Changes in Owners' Equity

Amount of the current period

Unit: RMB

Item	Half year of 2021								
	Owners' Equity Attributable to the Parent Company							Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Subtotal		
I. Balance at the end of the previous year	3,070,692,107	596,997,085	161,816,819	10,269,002	1,036,948,422	5,336,266,412	10,212,989,847	402,894,039	10,615,883,886
II. Balance at the beginning of current year	3,070,692,107	596,997,085	161,816,819	10,269,002	1,036,948,422	5,336,266,412	10,212,989,847	402,894,039	10,615,883,886
III. Amount of change in current term("–" for decrease)			1,322,491	-1,166,410		1,045,448,254	1,045,604,335	16,460,439	1,062,064,774
(I) Total amount of the comprehensive income			1,322,491			1,352,517,465	1,353,839,956	16,460,439	1,370,300,395
(II) Capital paid in and reduced by owners									
1. The amount of share-based payment included in owner's equity									
2. Others									
(III) Profit distribution						-307,069,211	-307,069,211		-307,069,211
1. Appropriations to owners (or shareholders)						-307,069,211	-307,069,211		-307,069,211
(IV) Internal carry-forward of owners'									

equity									
(V) Specific reserve				-1,166,410			-1,166,410		-1,166,410
1. Withdrawal in the period									
2. Used in the period				1,166,410			1,166,410		1,166,410
(VI) Others									
IV. Balance at the end of the period	3,070,692,107	596,997,085	163,139,310	9,102,592	1,036,948,422	6,381,714,666	11,258,594,182	419,354,478	11,677,948,660

Amount of the previous period

Unit: RMB

Item	Half year of 2020									
	Owners' Equity Attributable to the Parent Company								Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital surplus	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Subtotal		
I. Balance at the end of the previous year	3,106,915,005	683,219,358	118,066,397	6,565,864	11,102,921	946,251,286	4,859,600,841	9,495,588,878	370,266,650	9,865,855,528
II. Balance at the beginning of current year	3,106,915,005	683,219,358	118,066,397	6,565,864	11,102,921	946,251,286	4,859,600,841	9,495,588,878	370,266,650	9,865,855,528
III. Amount of change in current term ("for decrease")	-36,222,898	-86,222,273	-118,066,397	1,366,772	-436,183		179,503,838	176,055,653	10,410,242	186,465,895
(I) Total amount of the comprehensive income				1,366,772			391,466,723	392,833,495	10,410,242	403,243,737

(II) Capital paid in and reduced by owners	-36,222,898	-86,222,273	-118,066,397					-4,378,774		-4,378,774
1. The amount of share-based payment included in owner's equity	-36,222,898	-86,222,273	-118,066,397					-4,378,774		-4,378,774
2. Others										
(III) Profit distribution							-211,962,885	-211,962,885		-211,962,885
1. Appropriations to owners (or shareholders)							-211,962,885	-211,962,885		-211,962,885
(IV) Internal carry-forward of owners' equity										
(V) Specific reserve					-436,183			-436,183		-436,183
1. Withdrawal in the period										
2. Used in the period					436,183			436,183		436,183
(VI) Others										
IV. Balance at the end of the period	3,070,692,107	596,997,085		7,932,636	10,666,738	946,251,286	5,039,104,679	9,671,644,531	380,676,892	10,052,321,423

8. Statement of changes in owner's equity of the parent company

Amount of the current period

Unit: RMB

Item	Half year of 2021				
	Share capital	Capital surplus	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at the end of the previous year	3,070,692,107	741,824,399	1,051,493,782	1,100,790,694	5,964,800,982
II. Balance at the beginning of current year	3,070,692,107	741,824,399	1,051,493,782	1,100,790,694	5,964,800,982
III. Amount of change in current term(" - "for decrease)				278,999,625	278,999,625
(I) Total amount of the comprehensive income				586,068,836	586,068,836
(II) Capital paid in and reduced by owners					
1. The amount of share-based payment included in owner's equity					
(III) Profit distribution				-307,069,211	-307,069,211
1. Withdrawal of surplus reserve					
2. Appropriations to owners (or shareholders)				-307,069,211	-307,069,211
(IV) Internal carry-forward of owners' equity					
(V) Special reserve					
IV. Balance at the end of the period	3,070,692,107	741,824,399	1,051,493,782	1,379,790,319	6,243,800,607

Amount of the previous period

Unit: RMB

Item	Half year of 2020					
	Share capital	Capital surplus	Less: treasury share	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at the end of the previous year	3,106,915,005	828,046,672	118,066,397	960,796,646	496,479,354	5,274,171,280
II. Balance at the beginning of current year	3,106,915,005	828,046,672	118,066,397	960,796,646	496,479,354	5,274,171,280

III. Amount of change in current term(" - "for decrease)	-36,222,898	-86,222,273	-118,066,397		386,892,075	382,513,301
(I) Total amount of the comprehensive income					598,854,960	598,854,960
(II) Capital paid in and reduced by owners	-36,222,898	-86,222,273	-118,066,397			-4,378,774
1.The amount of share-based payment included in owner's equity	-36,222,898	-86,222,273	-118,066,397			-4,378,774
(III) Profit distribution					-211,962,885	-211,962,885
1. Withdrawal of surplus reserve					-211,962,885	-211,962,885
2. Appropriations to owners (or shareholders)						
(IV) Internal carry-forward of owners' equity						
(V) Special reserve						
IV. Balance at the end of the period	3,070,692,107	741,824,399		960,796,646	883,371,429	5,656,684,581

III. Basic Information of the Company

CSG Holding Co Ltd (the “Company”) was incorporated in September 1984, known as China South Glass Company, as a joint venture enterprise by Hong Kong China Merchants Shipping Co., LTD (香港招商局轮船股份有限公司), Shenzhen Building Materials Industry Corporation (深圳建筑材料工业集团公司), China North Industries Corporation (中国北方工业深圳公司) and Guangdong International Trust and Investment Corporation (广东国际信托投资公司). The Company was registered in Shenzhen, Guangdong Province of the People's Republic of China and its headquarters is located in Shenzhen, Guangdong Province of the People's Republic of China. The Company issued RMB-denominated ordinary shares (“A-share”) and foreign shares (“B-share”) publicly in October 1991 and January 1992 respectively, and was listed on Shenzhen Stock Exchange on February 1992. As at June 30, 2021, the registered capital was RMB 3,070,692,107, with nominal value of RMB1 per share.

The Company and its subsidiaries (collectively referred to as the “Group”) are mainly engaged in the manufacture and sales of flat glass, specialized glass, engineering glass, energy saving glass, silicon related materials, polysilicon and solar components and electronic-grade display device glass and the construction and operation of photovoltaic plant etc.

The financial statements were authorized for issue by the Board of Directors on August 25, 2021.

Details on the major subsidiaries included in the consolidated scope in current year were stated in the Note.

IV. Basis of the preparation of financial statements

1. Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standards for Business Enterprises - Basic Standard*, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as “the Accounting Standard for Business Enterprises” or “CAS”), and *Information Disclosure Rule No. 15 for Companies with Public Traded Securities - Financial Reporting General Provision* issued by China Security Regulatory Commission.

2. Going concern

This financial report is prepared on the basis of going concern.

V. Significant accounting policies and accounting estimates

The Group determines specific accounting policies and accounting estimates based on the characteristics of production and operation, which are mainly reflected in the measurement of expected credit losses of receivables, the valuation method of inventories, fixed asset depreciation and intangible asset amortization, judgment standards for capitalization of development expenditures, income confirmation time, etc.

Please see the Note for the key judgements adopted by the Group in applying important accounting policies.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the first half year of 2021 truly and completely present the financial position as of June 30, 2021 and the operating results, cash flows and other information for the first half year of 2021 of the Group and the Company in compliance with the Accounting Standards for Business Enterprises.

2. Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

3. Operating cycle

The Company's operating cycle starts on 1 January and ends on 31 December.

4. Recording currency

The recording currency is Renminbi (RMB).

5. Accounting treatment method of business combination under common control and not under common control

(a) Business combinations involving entities under common control

The consideration paid and net assets obtained by the absorbing party in a business combination are measured at book value. The difference between book value of the net assets obtained from the combination and book value of the consideration paid for the combination is treated as an adjustment to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

(b) Business combinations involving entities not under common control

The cost of combination and identifiable net assets obtained by the acquirer in a business combination are measured at fair value at the acquisition date. Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

6. Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such

control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' equity and the portion of a subsidiaries' net profits and losses and comprehensive incomes for the period not attributable to Company are recognized as minority interests and presented separately in the consolidated financial statements under equity, net profits and total comprehensive income respectively. Unrealised profits and losses resulting from the sales of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to shareholders of the parent company. Unrealised profits and losses resulting from the sales of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to shareholders of the parent company and non-controlling interests in accordance with the allocation proportion of the parent company in the subsidiary. Unrealised profits and losses resulting from the sales of assets by one subsidiary to another are eliminated and allocated between net profit attributable to shareholders of the parent company and non-controlling interests in accordance with the allocation proportion of the parent in the subsidiary.

After the control over the subsidiary has been gained, whole or partial minority equities of the subsidiary owned by minority shareholders are acquired from the subsidiary's minority shareholders. In the consolidated financial statements, the subsidiary's assets and liabilities are reflected with amount based on continuous calculation starting from the acquisition date or consolidation date. Capital surplus is adjusted according to the difference between newly increased long-term equity investment arising from acquisition of minority equity and the share of net assets calculated based on current shareholding ratio that the parent company is entitled to. The share is subject to continuous calculation starting from the acquisition date or consolidation date. If the capital surplus (capital premium or share capital premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings.

If the accounting treatment of a transaction which considers the Group as an accounting entity is different from that considers the Company or its subsidiaries as an accounting entity, it is adjusted from the perspective of the Group.

7. Criteria for determining cash and cash equivalents

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

8. Translating of foreign currency operations and foreign currency report form

(a) Foreign currency transaction

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(b) Translation of foreign currency financial statements

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the shareholders' equity items, the items other than "undistributed profits" are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statements of overseas operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are presented separately in the shareholders' equity. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

9. Financial instrument

A financial instrument is a contract that forms a financial asset of one party and forms a financial liability or equity instrument of the other party. A financial asset or a financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

According to the business model of the financial assets under management and the characteristics of the contractual cash flow of the financial assets, the Company divides the financial assets into the following three categories: (1) Financial assets measured at amortized cost; (2) Financial assets measured at fair value through other comprehensive income; (3) Financial assets at fair value through profit or loss.

The financial assets are measured at fair value at initial recognition. Related transaction costs that are attributable to the acquisition of the financial assets are included in the initially recognized amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are recognized directly in profit or loss for the current period. Accounts receivable or notes receivable arising from sales of products or rendering of services (excluding or without regard to significant financing components) are initially recognized at the consideration that is entitled to be charged by the Group as expected.

Debt instruments

The debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following three ways.

Measured at amortised cost:

The objective of the Group's business model is to hold the financial assets to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash

flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of such financial assets is recognized using the effective interest method. Such financial assets mainly comprise cash at bank and on hand, placements with and loans to banks and other financial institutions measured at amortised cost, accounts receivable, other receivables, debt investment, and long-term receivables. Debt investment and long-term receivables that are due within one year (inclusive) as from the balance sheet date are listed as non-current assets due within one year. Debt investments that are due within one year (inclusive) are listed as other current assets.

Measured at fair value through other comprehensive income:

The objective of the Group's business model is to hold the financial assets to collect the contractual cash flows and selling as target, and the contractual cash flow characteristics are consistent with a basic lending arrangement. Such financial assets are measured at fair value and their changes are included in other comprehensive income, but impairment losses or gains, exchange gains and losses, and interest income calculated by the effective interest rate method are all included in the current profit and loss. Such financial assets mainly comprise receivable financing and other financial debt investment. Other financial debt investment that are due within one year (inclusive) as from the balance sheet date are included in the current portion as other current assets.

Measured at fair value through profit or loss:

Debt instruments held by the Group that are not divided into those at amortised cost, or those measured at fair value through other comprehensive income, are measured at fair value through profit or loss and included in financial assets held for trading. At initial recognition, the Group designates a portion of financial assets as at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. Financial assets that are due within one year (inclusive) as from the balance sheet date and are expected to be held over one year are included in other non-current financial assets.

Equity instruments

Investments in equity instruments, over which the Group has no control, joint control or significant influence, are measured at fair value through profit or loss under financial assets held for trading; investments in equity instruments expected to be held over one year as from the balance sheet date are included in other non-current financial assets.

In addition, a portion of certain investments in equity instruments not held for trading are designated as financial assets at fair value through other comprehensive income under other investments in equity instruments. The relevant dividend income of such financial assets is recognized in profit or loss for the current period.

(ii) Impairment

The Group confirms the loss provision based on expected credit losses for financial assets measured at amortised cost, debt instrument investments measured at fair value and whose changes are included in other comprehensive income, and financial guarantee contracts, etc.

Giving consideration to reasonable and supportable information on past events, current conditions and forecasts of future economic conditions, as well as the default risk weight, the expected credit loss was confirmed. As at each balance sheet date, the expected credit losses of financial instruments at different stages are measured respectively. 12-month ECL provision is recognized for financial instruments in Stage 1 that have not had a significant increase in credit risk since initial recognition; lifetime ECL provision is recognized for financial instruments in Stage 2 that have had a significant increase in credit risk yet without credit impairment since initial recognition; and lifetime ECL provision is recognized for financial instruments in Stage 3 that have had credit impairment

since initial recognition.

For the financial instruments with lower credit risk on the balance sheet date, the Group assumes there is no significant increase in credit risk since initial recognition and recognizes the 12-month ECL provision.

For the financial instruments in Stage 1, Stage 2 and with lower credit risk, the Group calculates the interest income by applying the effective interest rate to the gross carrying amount (before deduction of the impairment provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (after deduction of the impairment provision from the gross carrying amount).

For notes and accounts receivables and receivables financing arising from daily business activities such as selling commodities and providing labor services, regardless of whether there is a significant financing component, the Group measures the loss provision based on the expected credit loss for the entire duration.

In case the expected credit losses of an individually assessed financial asset cannot be evaluated with reasonable cost, the Group divides the receivables into certain groupings based on credit risk characteristics, and calculates the expected credit losses for the groupings. Basis for determined groupings and method for provision are as follows:

Notes receivables Portfolio 1	Bank acceptance notes	Expected credit loss method
Notes receivables Portfolio 2	Trade acceptance notes	Expected credit loss method
Accounts receivables Portfolio 1	Receivables non-related third party	Expected credit loss method
Accounts receivables Portfolio 2	Receivables related party	Expected credit loss method
Other receivables Portfolio 1	Receivables non-related third party	Expected credit loss method
Other receivables Portfolio 2	Receivables related party	Expected credit loss method

For accounts receivables divided into portfolios, notes and receivable financing arising from daily business activities such as selling commodities and providing labor services, the Group refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions. In addition to notes receivable, factoring receivables and other receivables classified as a combination, The Group refers to the historical credit loss experience, combines with the current situation and the prediction of future economic conditions, and calculates the expected credit loss through the default risk exposure and the expected credit loss rate in the next 12 months or the entire duration.

The Group recognizes the loss provision made or reversed into profit or loss for the current period. For debt instruments that are held at fair value and whose changes are included in other comprehensive income, the Group adjusts other comprehensive income while accounting for impairment losses or gains in the current profit or loss.

(iii) Derecognition

A financial asset is derecognized when any of the below criteria is met: (1) the contractual rights to receive the cashflows from the financial asset expire; (2) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; (3) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

The Group's financial liabilities mainly comprise financial liabilities at amortised cost, including bills payable, accounts payable, and other payables. This type of financial liability is initially measured at its fair value after deducting transaction costs, and is subsequently measured using the actual interest rate method. If the maturity is less than one year (including one year), it is listed as current liabilities; if the maturity is more than one year but matures within one year (including one year) from the balance sheet date, it is listed as non-expiring within one year Current liabilities; the rest are listed as non-current liabilities.

(c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In valuation, the Group adopts valuation techniques applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

10. Inventories

(a) Classification

Inventories refer to manufacturing sector, including raw materials, work in progress, finished goods and turnover materials, etc., and are measured at the lower of cost and net realizable value.

(b) Valuation method for issuing inventory

The cost at the time of inventory delivery is determined using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labour and systematically allocated production overhead based on the normal production capacity.

(c) Amortization methods of low-value consumables and packaging materials

Turnover materials include low-value consumables and packaging materials, amortized using the one-off write-off method.

(d) The determination of net realizable value and the method of provision for decline in the value of inventories.

Provision for decline in the value of inventories is determined at the excess amount of book values of the inventories over their net realizable value. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes.

(e) The Group adopts the perpetual inventory system.

11. Assets classified as held for sale

A non-current asset or a disposal group is classified as held for sale when all of the following conditions are satisfied: (1) the non-current asset or the disposal group is available for immediate sale in its present condition subject to terms that are traditionally and customary for sales; (2) the Group has made a resolution and obtained appropriate approval for disposal of the non-current asset or the disposal group, and the transfer is to be completed within one year.

Non-current assets (except for financial assets, investment properties at fair value and deferred tax assets) that meet the recognition criteria for held for sale are recognized at the amount equal to the lower of the fair value less costs to sell and book value. The difference between fair value less costs to sell and carrying amount, should be presented as impairment loss.

Such non-current assets and assets included in disposal groups as classified as held for sale are accounted for as current assets; while liabilities included in disposal groups classified as held for sale are accounted for as current liabilities, and are presented separately in the balance sheet.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and is separately identifiable operationally and for financial reporting purposes, and satisfies one of the following conditions: (1) represents a separate major line of business or geographical area of operations; (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; and (3) is a subsidiary acquired exclusively with a view to resale.

The discontinued operation profits on income statement presentation have included the profits and loss of operation and disposal.

12. Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its associates.

Subsidiaries are the investees over which the Company is able to exercise control. Associates are the investees that the Group has significant influence on their financial and operating policies.

Investments in subsidiaries are measured using the cost method in the Company's financial statements, and adjusted by using the equity method when preparing the consolidated financial statements. Investments in associates are accounted for using the equity method.

(a) Initial recognition of investment cost

For long-term equity investments formed in business combination: when obtained from business combinations involving entities under common control, the long-term equity investment is stated at carrying amount of equity for the combined parties at the time of merger; when the long-term equity investment obtained from business combinations involving entities not under common control, the investment is measured at combination cost.

For long-term equity investments not formed in business combination: the one paid by cash is initially measured at actual purchase price; the long-term investment obtained by issuing equity securities is stated at fair value of equity securities as initial investment cost.

(b) Subsequent measurement and recognition of related profit or loss

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognized as investment income in profit or loss.

For long-term equity investments accounted for by the equity method, if the initial investment cost is greater than the fair value of the investee's identifiable net assets, the initial investment cost shall be used as the long-term equity investment cost; if the initial investment cost is less than the investment, the invested entity shall be entitled to If the fair value share of net assets is identifiable, the difference is included in the current profit and loss, and the cost of equity investment in the growth period is adjusted accordingly.

For long-term equity investments accounted for using the equity method, the Group recognizes the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of the net losses of an investee after the carrying amounts of the long-term equity investment together with any long-term interests that in substance form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in owners' equity of the investee other than those arising from its net profit or loss, its proportionate share is directly recorded into capital surplus, provided that the proportion of shareholding of the Group in the investee remains unchanged. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the transactions between the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, based on which the investment gain or losses are recognized. Any losses resulting from transactions between the Group and its investees attributable to asset impairment losses are not eliminated.

(c) Basis for determining existence of control, jointly control or significant influence over investees

The term "control" refers to the power in the investees, to obtain variable returns by participating in the related business activities of the investees, and the ability to affect the returns by exercising its power over the investees.

The term "significant influence" refers to the power to participate in the formulation of financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties.

(d) Impairment of long-term equity investments

Book value of long-term equity investments in subsidiaries and associates is reduced to the recoverable amount when the recoverable amount is less than book value.

13. Investment property

Investment property includes leased land use rights, land use rights held and provided for to transfer after appreciation and leased building and construction.

Investment properties are initially measured at acquisition cost. The cost of outsourcing Investment property includes the purchase price, relevant taxes and other expenditures that can be directly attributable to the asset; the cost of self-built Investment property is determined by the construction of the asset. The composition of the necessary expenditures incurred before the usable state.

Investment property adopts the fair value model for subsequent measurement without depreciation or amortization. On the balance sheet date, the book value of the investment properties are initially measured at acquisition cost is adjusted based on the fair value of the investment properties are initially measured at acquisition cost. The difference between the fair value and the original book value will be calculated into the current profit and loss.

When the use of an Investment property is changed to self-use, the investment property is converted into fixed assets or intangible assets from the date of change, and the book value and fair value of the fixed assets and intangible assets are determined based on the fair value of the investment property on the conversion date. The difference with the original book value of the investment property is included in the current profit and loss. When the purpose of self-use real estate is changed to earning rent or capital appreciation, from the date of change, the fixed assets or intangible assets are converted into investment properties are initially measured at acquisition cost, and the fair value on the day of conversion is used as the book value of the investment properties are initially measured at acquisition cost, and the fair value on the day of conversion. If the value is less than the original book value of fixed assets and intangible assets, the difference is included in the current profit and loss. If the fair value on the day of conversion is greater than the original book value of fixed assets and intangible assets, the difference is included in other comprehensive income.

When an investment property is disposed of or permanently withdrawn from use and it is expected that no economic benefits can be obtained from its disposal, the confirmation of the Investment property shall be terminated. The disposal income from the sale, transfer, scrapping or destruction of Investment property shall deduct its book value and relevant taxes and shall be included in the current profits and losses. If there is an amount included in other comprehensive income on the original conversion date, it will also be carried forward and included in the current profit and loss.

14. Fixed assets

(1) Recognition condition

Fixed assets comprise buildings, machinery and equipment, motor vehicles and others.

Fixed assets are recognized when it is probable that the related economic benefits will probably flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the acquisition date.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. Book value of the replaced part is derecognized. All the other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

(2) Depreciation methods

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

Item	Depreciation method	Estimated useful lives	Estimated net residual value	Annual depreciation rate
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Building	Straight-line method	20 to 35 years	5%	2.71% to 4.75%
Machinery and equipment	Straight-line method	8 to 20 years	5%	4.75% to 11.88%
Motor vehicles and others	Straight-line method	5 to 8 years	0%	12.50% to 20.00%

The estimated useful life, the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at each year-end.

(3) Book value of a fixed asset is reduced to the recoverable amount when the recoverable amount is below book value.

(4) Disposal

A fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

15. Construction in progress

Construction in progress is recorded at actual cost. Actual cost comprises construction cost, installation cost, borrowing costs eligible for capitalised condition and necessary expenditures incurred for its intended use. Actual cost also includes net of trial production cost and trial production income before construction in progress is put into production.

Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month.

Book value of construction in progress is reduced to the recoverable amount when the recoverable amount is below book value.

16. Borrowing costs

The borrowing costs incurred by the group that are directly attributable to the acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognized in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of an asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by the amount of interest expenses actually incurred in the current period of special borrowing deducting any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

For the general borrowings obtained for the acquisition or construction of an asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by applying the weighted average effective interest rate of general borrowings, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings. The effective interest rate is the rate at which the estimated future cash flows during the period of expected duration of

the borrowings or applicable shorter period are discounted to the initial amount of the borrowings.

17. Right of use asset

The Group's right of use assets are mainly land use rights and others.

On the beginning date of the lease term, the Group recognizes the right to use the leased asset within the lease term as the right of use assets, including: the initial measurement amount of the lease liability; For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted; Initial direct expenses incurred by the lessee; The estimated cost incurred by the lessee for dismantling and removing the leased asset, restoring the site where the leased asset is located or restoring the leased asset to the state agreed in the lease terms. The group subsequently depreciates the right of use assets using the straight-line method. If it can be reasonably determined that the ownership of the leased asset is obtained at the expiration of the lease term, the group accrues depreciation within the remaining service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, the group accrues depreciation within the shorter of the lease term and the remaining service life of the leased asset.

When the group remeasures the lease liability according to the present value of the changed lease payment and adjusts the book value of the right of use asset accordingly, if the book value of the right of use asset has been reduced to zero, but the lease liability still needs to be further reduced, the group will include the remaining amount in the current profit and loss.

18. Intangible assets

(1) Valuation method, useful life and impairment test

Intangible assets, mainly including land use rights, patents and proprietary technologies, exploitation rights and others, are measured at cost.

(a) Land use rights

Land use rights are amortised on the straight-line basis over their approved use period of 30 to 70 years. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognized as fixed assets.

(b) Patents and proprietary technologies

Patents and proprietary technologies are amortised on a straight-line basis over the estimated use life.

(c) Exploitation rights

Exploitation rights are amortised on a straight-line basis over permitted exploitation periods on the exploitation certificate.

(d) Periodical review of useful life and amortization method

For an intangible asset with a finite useful life, review of its useful life and amortization method is performed at each year-end, with adjustment made as appropriate.

(e) Impairment of intangible assets

Book value of intangible assets is reduced to the recoverable amount when the recoverable amount is below book value.

(2) Accounting policy for internal research and development expenditure

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at end of the project.

Expenditure on the research phase related to planned survey, evaluation and selection for research on manufacturing technique is recognized in profit or loss in the period in which it is incurred. Prior to mass production, expenditure on the development phase related to the design and testing phase in regards to the final application of manufacturing technique is capitalised only if all of the following conditions are satisfied:

- the development of manufacturing technique has been fully demonstrated by technical team;
- management has approved the budget for the development of manufacturing technique;
- there are research and analysis of pre-market research explaining that products manufactured with such technique are capable of marketing;
- There is sufficient technical and capital to support the development of manufacturing technique and subsequent mass production; and the expenditure on manufacturing technique development can be reliably gathered.

Other development expenditures that do not meet the conditions above are recognized in profit or loss in the period in which they are incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

19. Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives and long-term equity investments in joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date; intangible assets not ready for their intended use are tested at least annually for impairment, irrespective of whether there is any indication that they may be impaired. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, book value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss is first deducted from book value of

goodwill that is allocated to the asset group or group of asset groups, and then deducted from book values of other assets within the asset groups or groups of asset groups in proportion to book values of assets other than goodwill.

Once the above asset impairment loss is recognized, it will not be reversed for the value recovered in the subsequent periods.

20. Long-term prepaid expenses

Long-term prepaid expenses include the expenditures that have been incurred but should be recognized as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortization.

21. Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits provided in various forms of consideration in exchange for service rendered by employees or compensations for the termination of employment relationship.

(1) Accounting treatment method of short-term employee benefits

Short-term employee benefits include wages or salaries, bonuses, allowances and subsidies, staff welfare, medical care, work injury insurance, maternity insurance, housing funds, labour union funds, employee education funds and paid short-term leave, etc. The employee benefit liabilities are recognized in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Employee benefits which are non-monetary benefits shall be measured at fair value.

(2) Accounting treatment method of post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group's post-employment benefits mainly include basic pensions and unemployment insurance, both of which belong to the defined contribution plans.

(3) Basic pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, local labour and social security institutions have a duty to pay the basic pension insurance to them. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(4) Accounting treatment of dismissal benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment

contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognizes a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; 2) when the Group recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

The dismissal benefits expected to be paid within one year since the balance sheet date are classified as current liabilities.

22. Lease liabilities

At the beginning of the lease term, the Group recognizes the present value of the unpaid lease payments as lease liabilities, except for short-term leases and low value asset leases. When calculating the present value of lease payments, the group adopts the interest rate embedded in the lease as the discount rate; If the interest rate embedded in the lease cannot be determined, the lessee's incremental loan interest rate shall be used as the discount rate. The group calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate and records it into the current profit and loss, unless otherwise specified, it is included into the cost of relevant assets. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profits and losses when they actually occur, unless otherwise specified to be included in the cost of relevant assets.

After the beginning date of the lease term, when the actual fixed payment amount changes, the expected payable amount of the guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation results or actual exercise of the purchase option, renewal option or termination option change, The group remeasures the lease liabilities according to the present value of the changed lease payments.

23. Estimated liabilities

Current obligations arising from enterprise restructuring, product quality assurance, onerous contracts, etc. are recognized as estimated liabilities when the performance of such obligations is likely to lead to the outflow of economic benefits and the amount can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognized as interest expense.

Book value of provision is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions expected to be paid within one year since the balance sheet date are classified as current liabilities.

24. Share-based payments

Share-based payments are divided into equity-settled and cash-settled payments. The term "equity-settled share-based payment" refers to a transaction in which an enterprise grants shares or other equity instruments as a consideration in return for services.

Equity-settled share-based payment the Group's stock option stock option plan is the equity-settled share-based payment in exchange of employees' services and is measured at the fair value of the equity instruments at grant date. The equity instruments are exercisable after services in vesting period are completed or specified performance conditions are met. In the vesting period, the services obtained in current period are included in relevant cost and expenses at the fair value of the equity instruments at grant date based on the best estimate of the number of exercisable equity instruments, and capital surplus is increased accordingly. If the subsequent information indicates the number of exercisable equity instruments differs from the previous estimate, an adjustment is made and, on the exercise date, the estimate is revised to equal the number of actual vested equity instruments.

In the period at which performance conditions and term of service are met, the relevant cost and expenses of equity-settled payment should be recognized, and capital surplus is increased accordingly. Before the exercise date, the accruing amounts of equity-settled payments on balance sheet date reflect the part of expired waiting period and optimal estimation for the number of the Company final vested equity instruments.

If the non-market conditions and term of service are not met so that share-based payment fail to exercise, the costs and expenses on this portion should not be recognized. If the share-based payment agreement sets out the market conditions and term of non-vesting, as long as performance conditions and term of service are met, it is should be regard as exercisable right, no matter the market conditions and non-vesting conditions are meet or not.

If the terms of equity-settled payment are modified, at least the service is confirmed in accordance with the unmodified terms. In addition, the increase of the fair value of the authorized equity instruments, or the beneficial changes to the employees on the modification date, recognized the increase in access to services. If the equity-settled payment is cancelled, the cancellation date shall be deemed as an expedited exercise, and the unconfirmed amount shall be confirmed immediately. If the employee or other party is able to choose to meet the non-vesting conditions but not satisfied in the waiting period, equity-settled payment should be cancelled. But if a new equity instrument is granted, and the new equity instrument is confirmed to replace the old equity instrument which is canceled in the authorization date of the new equity instrument, the new equity instrument should be disposed by using the same conditions and terms of the old equity instrument for modifications.

25. Revenue

The Group recognizes revenue at the consideration that the Group is entitled to charge as expected when the Group has fulfilled the performance obligations in the contract, that is, the customer obtains control over relevant goods or services.

(a) Sales of goods

The Group mainly sells flat and engineering glass, products related to solar energy, and electronic glass and displays. For domestic sales, the Group delivers the products to a certain place specified in the contract. When the buyer takes over the goods, the Group recognizes revenue. For export sales, the Group recognizes the revenue when it finished clearing goods for export and delivering the goods on board the vessel, or when the goods are delivered to a certain place specified in the contract. The credit period granted by the Group to customers is determined based on the customer's credit risk characteristics, consistent with industry practices, and there is no major financing component. The Group's obligation to transfer goods to customers for consideration received or receivable from customers is listed as contract liabilities.

Revenue is presented as the net amount after deducting sales discounts and sales returns.

(b) Rendering of services

The Group provides external consulting, loading, unloading, transportation and processing labor services, and recognizes revenue within a period of time based on the progress of the completed labor. The progress of the completed labor is determined according to the proportion of the cost incurred to the estimated total cost. On the balance sheet date, the Group re-estimates the progress of completed labor services so that it can reflect changes in contract performance.

When the Group recognizes revenue based on the performance progress of the completed labor services, the portion for which the Group has obtained the unconditional right to receive payments is recognized as accounts receivable, and the remaining portion is recognized as contract assets, and the Company measures the loss reserve of accounts receivable and contract assets. According to the expected credit loss; If the contract price received or receivable by the Group exceeds the completed progress, the excess is recognized as contract liabilities. The Group presents the contract assets and contract liabilities under the same contract as a net amount.

26. Government grants

Government grants are transfers of monetary or non-monetary assets from the government to the Group at nil consideration, including tax refund and financial subsidies, etc.

A government grant is recognized when there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions. Monetary government grants are measured at the amounts received or receivable. Non-monetary government grants are measured at fair value, if the fair value cannot be reliably obtained, it is measured at nominal amount.

The government grants related to assets refer to government grant obtained by enterprises and used for purchase and construction of long-term assets or formation of long-term asset in other ways. The government grants related to income refer to grants other than those related to assets.

For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred by the Group in the subsequent periods, the grant is recognized as deferred income, and included in profit or loss over the periods in which the related costs are recognized; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognized immediately in profit or loss for the current period. The company use the same method of presentation for similar government grants.

The ordinary activity government grants should be counted into operating profits; the government grants which not belong to ordinary activities should be counted into non-operating income.

27. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognized for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognized for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognized for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet

date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Deferred tax assets are only recognized for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilized, the corresponding deferred tax assets are recognized.

Deferred income tax assets and deferred income tax liabilities that meet the following conditions at the same time are listed as the net amount after offset:

The deferred taxes are related to the same tax payer within the Group and the same taxation authority;

That tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

28. Leases

Lease refers to a contract in which the lessor transfers the right of use assets to the lessee for consideration within a certain period of time.

The group as the lessee

The Group recognizes the right of use assets on the beginning date of the lease term and recognizes the lease liabilities according to the present value of the unpaid lease payments. Lease payments include fixed payments and payments to be made when it is reasonably determined that the option to purchase or terminate the lease will be exercised. The variable rent determined according to a certain proportion of sales is not included in the lease payment and is included in the current profit and loss when it actually occurs. The group lists the lease liabilities paid within one year (including one year) from the balance sheet date as non current liabilities due within one year.

The group's use right assets include leased land use rights, etc. The right of use assets are initially measured at cost, which includes the initial measurement amount of lease liabilities, lease payments paid on or before the beginning of the lease term, initial direct expenses, etc., and deducting the received lease incentives. If the group can reasonably determine the ownership of the leased asset at the expiration of the lease term, depreciation shall be accrued within the remaining service life of the leased asset; If it is impossible to reasonably determine whether the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining service life of the leased asset. When the recoverable amount is lower than the book value of the right of use assets, the group will write down its book value to the recoverable amount.

For short-term leases with a lease term of no more than 12 months and low value asset leases with a lower value when a single asset is new, the group chooses not to recognize the right of use assets and lease liabilities, and the relevant rental expenses are included in the current profit and loss or the cost of relevant assets according to the straight-line method in each period of the lease term.

The group as the lessor

The lessor shall divide the lease into financing lease and operating lease on the lease commencement date. Finance lease refers to a lease that substantially transfers almost all the risks and rewards related to the ownership of the leased asset. Leases other than finance leases are classified as operating leases.

As an operating lessor

The rental income from operating leases is recognized as the current profit and loss by the straight-line method in each period of the lease term, and the variable lease payments not included in the lease receipts are included in the current profit and loss when they actually occur. If the operating lease is changed, the group will treat it as a new lease for accounting from the effective date of the change, and the advance receipt or lease receivable related to the lease before the change is regarded as the receipt of the new lease.

As a financial lessor

The lessor shall, on the lease commencement date, take the minimum lease receipts on the lease commencement date as the entry value of the finance lease receivables, record the unguaranteed residual value at the same time, and record the difference between the sum of the minimum lease receipts and the unguaranteed residual value and the sum of their present value as unrealized financing income.

29. Other important accounting policies and accounting estimates

The Group continually Estimates the critical accounting estimates and key assumptions applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

The critical accounting estimates and key assumptions that have a significant risk of possibly causing a material adjustment to book values of assets and liabilities within the next accounting year are outlined below:

(a) Income tax

The Group is subject to Income tax in numerous jurisdictions. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for Income tax in each of these jurisdictions. Where the final identified outcome of these tax matters is different from the initially-recorded amount, such difference will impact the income tax expenses and deferred income tax in the period in which such determination is finally made.

(b) Deferred income tax

Estimates on deferred tax assets are based on estimates on amount of taxable income and applicable tax rate for every year. Realisation of deferred income tax is subject to sufficient taxable income that is possible to be obtained by the Group in the future. Change of the future tax rate as well as the reversed time of temporary difference might have effects on tax expense (income) and the balance of deferred tax assets or liabilities. Those estimates may also cause significant adjustment on deferred tax.

(c) Impairment of long-term assets (excluding goodwill)

Long-term assets at the balance sheet date should be subject to impairment testing if there are any indications of impairment. Management determines whether the long-term assets impaired or not by evaluating and analysing following aspects: (1) whether the event affecting assets impairment occurs; (2) whether the expected obtainable present value of future cash flows is lower than the asset's carrying amount by continually using the assets or disposal; and (3) whether the assumptions used in expected obtainable present value of future cash flows are appropriate.

Various assumptions, including the discount rate and growth rate applied in the method of present value of future cash flow, are required in evaluating the recoverable amount of assets. If these assumptions cannot be conformed, the recoverable amount should be modified, and the long-term assets may be impaired accordingly.

(d) The useful life of fixed assets

Management estimates the useful life of fixed assets, based on historical experiences on using fixed assets that have similar properties and functions. When there are differences between actually useful life and previously estimation, management will adjust estimation to useful life of fixed assets. The fixed assets would be written off or written down when fixed assets been disposed or became redundant. Thus, the estimated result based on existing experience may be different from the actual result of the next accounting period, which may cause major adjustment to book value of fixed assets on balance sheet.

(e) Goodwill impairment

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, and future cash flow from each CGU or CGUs is forecasted and discounted with appropriate discount rate.

30. Significant accounting policies and changes in accounting estimates

(1) Important accounting policy changes

√ Applicable □ Not applicable

The accounting standards for Business Enterprises No. 21 - leasing (hereinafter referred to as the new leasing standards) revised and issued by the Ministry of Finance in December 2018. The group and the company have adopted the above standards to prepare the financial statements for the half year of 2021. The impact of the newly revised leasing standards on the financial statements of the group and the company is as follows:

Contents and reasons for changes in accounting policy	Affected report items	Affected amount	
		January 1, 2021	
		Consolidated	Company
Due to the implementation of the new lease standards, the group and the company reclassify the amount of long-term deferred expenses in line with the right of use assets to the right of use assets.	Right of use assets	9,640,758	
	Long-term deferred expenses	-9,640,758	

(2) Important accounting estimate changes

Applicable Not applicable

(3) The first implementation of the new lease standard from 2021, adjustments to the first implementation of the financial statements related items at the beginning of the year

Applicable Not applicable

Is it necessary to adjust the balance sheet accounts at the beginning of the year

Yes No

Unit: RMB

Item	31 December 2020	1 January 2021	Adjustment
Long-term deferred expenses	10,381,937	741,179	-9,640,758
Right of use assets		9,640,758	9,640,758
Total	10,381,937	10,381,937	

According to the "Accounting Standards for Business Enterprises No. 21-Leases" (hereinafter collectively referred to as the New Lease Standards) issued by the Ministry of Finance of the People's Republic of China in December 2018, companies that are listed at the same time both domestically and overseas as well as those listed overseas and adopt financial reporting standards are required Or companies that implement the Accounting Standards for Business Enterprises shall take effect on January 1, 2019; other companies that implement the Accounting Standards for Business Enterprises shall take effect on January 1, 2021.

(4) The first implementation of the new lease standard from 2021 retrospective adjustment of the previous comparative data description

Applicable Not applicable

31. Others**(1) Safety production costs**

According to relevant regulations of the Ministry of Finance and National Administration of Work Safety, a subsidiary of the Group which is engaged in producing and selling polysilicon appropriates safety production costs on following basis:

- 4% for revenue below RMB10 million (inclusive) of the year;
- 2% for the revenue between RMB10 million to RMB100 million (inclusive) of the year;
- 0.5% for the revenue between RMB100 million to RMB1 billion (inclusive) of the year;
- 0.2% for the revenue above RMB1 billion of the year.

The safety production costs are mainly used for the overhaul, renewal and maintenance of safety facilities. The safety production costs are charged to costs of related products or profit or loss when appropriated, and safety production costs in equity account are credited correspondingly. When using the special reserve, if the expenditures are expenses in nature, the expenses incurred are offset against the special reserve directly when incurred. If the expenditures are capital expenditures, when projects are completed and transferred to fixed assets, the special reserve should be offset against the cost of fixed assets, and a corresponding accumulated depreciation are recognized. The fixed assets are no longer be depreciated in future.

(2) Segment information

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (a) the component is able to earn revenue and incur expenses from its ordinary activities; (b) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (c) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

VI. Taxation

1. The main categories and rates of taxes

Category	Taxable basis	Tax rate
Enterprise income tax	Taxable income	0%-25%
Value-added tax ("VAT")	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible VAT input of the current period)	1%-13%
City maintenance and construction tax	VAT paid	1%-7%
Educational surcharge	VAT paid	3%-5%

2. Tax incentives

The main tax incentives the Group is entitled to are as follows:

Tianjin CSG Energy-Saving Glass Co., Ltd. ("Tianjin Energy Conservation") passed review on a high and new tech enterprise in 2018 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2018. In the 2021 High Tech Review, the income tax rate is temporarily 15% in the report period.

Dongguan CSG Architectural Glass Co., Ltd. ("Dongguan CSG") passed review on a high and new tech enterprise in 2019 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2019.

Wujiang CSG East China Architectural Glass Co., Ltd. ("Wujiang CSG Engineering") passed review on a high and new tech enterprise in 2020 and obtained the *Certificate of High and New Tech Enterprise*, the period of validity is three years. It applies to 15% tax rate for three years since 2020.

Dongguan CSG Solar Glass Co., Ltd. (“Dongguan CSG Solar”) passed review on a high and new tech enterprise in 2020 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2020.

Yichang CSG Polysilicon Co., Ltd. (“Yichang CSG Polysilicon”) passed review on a high and new tech enterprise in 2020 and obtained the *Certificate of High and New Tech Enterprise*, the period of validity is three years. It applies to 15% tax rate for three years since 2020.

Dongguan CSG PV-tech Co., Ltd. (“Dongguan CSG PV-tech”) passed review on a high and new tech enterprise in 2019 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2019.

Hebei Panel Glass Co., Ltd. (“Hebei Panel Glass”) passed review on a high and new tech enterprise in 2019 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2019.

Wujiang CSG Glass Co., Ltd. (“Wujiang CSG”) passed review on a high and new tech enterprise in 2020, and obtained the *Certificate of High and New Tech Enterprise*, and the period of validity was three years. It applies to 15% tax rate for three years since 2020.

Xianning CSG Glass Co., Ltd. (“Xianning CSG”) passed review on a high and new tech enterprise in 2020, and obtained the *Certificate of High and New Tech Enterprise*, and the period of validity was three years. It applies to 15% tax rate for three years since 2020.

Xianning CSG Energy-Saving Glass Co., Ltd. (“Xianning CSG Energy-Saving”) passed review on a high and new tech enterprise in 2018, and obtained the *Certificate of High and New Tech Enterprise*, and the period of validity was three years. It applies to 15% tax rate for three years since 2018. In the 2021 High Tech Review, the income tax rate is temporarily 15% in the report period.

Yichang CSG Photoelectric Glass Co., Ltd. (“Yichang CSG Photoelectric”) passed review on a high and new tech enterprise in 2018, and obtained the *Certificate of High and New Tech Enterprise*, and the period of validity was three years. It applies to 15% tax rate for three years since 2018. In the 2021 High Tech Review, the income tax rate is temporarily 15% in the report period.

Yichang CSG Display Co., Ltd (“Yichang CSG Displayer”) passed review on a high and new tech enterprise in 2018, and obtained the *Certificate of High and New Tech Enterprise*, and the period of validity was three years. It applies to 15% tax rate for three years since 2018. In the 2021 High Tech Review, the income tax rate is temporarily 15% in the report period.

Qingyuan CSG New Energy-Saving Materials Co., Ltd. (“Qingyuan CSG Energy-Saving”) passed review on a high and new tech enterprise in 2019, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2019.

Hebei CSG Glass Co., Ltd. (“Hebei CSG”) was recognized as a high and new tech enterprise in 2018, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2018. In the 2021 High Tech Review, the income tax rate is temporarily 15% in the report period.

Shenzhen CSG Applied Technology Co., Ltd. (“Shenzhen Technology”) was recognized as a high and new tech enterprise in 2018, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2018. In the 2021 High Tech Review, the income tax rate is temporarily 15% in the report period.

Xianning CSG Photoelectric Glass Co., Ltd. (“Xianning Photoelectric”) passed review on a high and new tech enterprise in 2019 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2019.

Sichuan CSG Energy Conservation Glass Co., Ltd. (“Sichuan CSG Energy Conservation”) obtains enterprise income tax preferential treatment for Western Development, and temporarily calculates enterprise income tax at a tax rate of 15% for current period.

Chengdu CSG Glass Co., Ltd. (“Chengdu CSG”) obtains enterprise income tax preferential treatment for Western Development, and temporarily calculates enterprise income tax at a tax rate of 15% for current period.

Qingyuan CSG New Energy Co., Ltd. (“Qingyuan CSG New Energy”), Suzhou CSG PV Energy Co., Ltd. (“Suzhou CSG PV Energy”), Jiangsu Wujiang CSG New Energy Co., Ltd. (“Wujiang CSG New Energy”), and Yichang CSG New Energy Co., Ltd. (“Yichang CSG New Energy”), Zhangzhou CSG Kibing PV Energy Co., Ltd. (“Zhangzhou CSG”), Heyuan CSG Kibing PV Energy Co., Ltd. (“Heyuan CSG”), Shaoxing CSG Kibing PV Energy Co., Ltd. (“Shaoxing CSG”), Xianning CSG PV Energy Co., Ltd. (“Xianning CSG PV Energy”) and Zhanjiang CSG New Energy Co., Ltd. (“Zhanjiang CSG PV Energy”), are public infrastructure project specially supported by the state in accordance with the Article 87 in Implementing Regulations of the Law of the People's Republic of China on Enterprise Income Tax, and can enjoy the tax preferential policy of “three-year exemptions and three-year halves”, that is, starting from the tax year when the first revenue from production and operation occurs, the enterprise income tax is exempted from the first to the third year, while half of the enterprise income tax is collected for the following three years.

3. Others

Some subsidiaries of the Group have used the “exempt, credit, refund” method on goods exported and the refund rate is 0%-13%.

VII. Notes to the consolidated financial statements

1. Cash at bank and on hand

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Cash on hand	2,899	2,725
Cash at bank	1,457,598,945	1,463,954,484
Other cash balances	191,831,694	661,831,694
Total	1,649,433,538	2,125,788,903
Including: Total overseas deposits	14,137,999	8,610,575

Other cash balances amounting to RMB 1,760,707 (Dec. 31, 2020: RMB 1,760,707), which is restricted cash.

2. Notes receivable**(1) Notes receivable listed by classification**

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Trade acceptance notes	183,242,770	207,966,892
Total	183,242,770	207,966,892

(2) Notes receivable endorsed or discounted by the company at the end of the period and not yet due on the balance sheet date

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Trade acceptance notes		46,332,724
Total		46,332,724

3. Accounts receivable**(1) Accounts receivable disclosed by category**

Unit: RMB

Category	End of term					Beginning of term				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts on the individual basis	30,906,348	4%	18,705,804	61%	12,200,544	32,282,145	5%	19,736,937	61%	12,545,208
Provision for bad debts by portfolio	847,123,526	96%	16,942,470	2%	830,181,056	682,567,524	95%	13,645,599	2%	668,921,925
Total	878,029,874	100%	35,648,274	4%	842,381,600	714,849,669	100%	33,382,536	5%	681,467,133

Provision for bad debts on the individual basis:

Unit: RMB

Name	Closing balance

	Carrying amount	Provision for bad debts	Proportion	Reasons for withdrawal
Provision for bad debts on the individual basis	30,906,348	18,705,804	61%	Mainly due to some of the subsidiaries' accounts receivable from customers, due to business disputes or deterioration of customer operations, partial or full provision for bad debts was made.
Total	30,906,348	18,705,804	--	--

Provision for bad debts by portfolio

Unit: RMB

Name	Closing balance		
	Carrying amount	Provision for bad debts	Proportion
Portfolio 1	847,123,526	16,942,470	2%
Total	847,123,526	16,942,470	--

Disclosure by the aging of accounts receivable

Unit: RMB

Aging	Closing balance
Within 1 year (including 1 year)	763,842,563
1 to 2 years	50,168,188
2 to 3 years	43,521,299
Over 3 years	20,497,824
Total	878,029,874

(2) Provision for bad debts accrued, recovered or reversed in the current period

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Collect or reversal	Write-off	Others	
Accounts receivable bad debt provision	33,382,536	7,936,480	5,523,025	147,717		35,648,274
Total	33,382,536	7,936,480	5,523,025	147,717		35,648,274

(3) Accounts receivable actually written off in the current period

Unit: RMB

Item	Amount written off
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Accounts receivable from subsidiaries	147,717
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(4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

Unit: RMB

Name	Closing balance of accounts receivable	Proportion in the total balance of accounts receivable at the end of the period	Ending balance of bad debt reserves
Total balances for the five largest accounts receivable	245,809,132	28%	4,916,183
Total	245,809,132	28%	4,916,183

4. Receivables financing

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance notes	444,025,966	382,527,782
Total	444,025,966	382,527,782

(a) On June 30, 2021, the Group listed the endorsed or discounted but not yet due notes receivable in receivables financing as follows:

Unit: RMB

Item	Amount derecognized at the end of the period	Unrecognized amount at the end of the period
Bank acceptance notes	2,120,718,232	
Total	2,120,718,232	

5. Trading financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value through profit or loss	382,000,000	
Of which: structured deposits	382,000,000	
Total	382,000,000	

6. Advances to suppliers**(1) Listed by aging analysis**

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
within 1 year	139,290,003	99%	84,647,719	99%
1 to 2 years	2,025,165	1%	1,162,756	1%
2 to 3 years			118,166	
over 3 years	118,166			
Total	141,433,334	100%	85,928,641	100%

As at June 30, 2021, advances to suppliers over 1 year with a carrying amount of RMB 2,143,331 (31 December 2020: RMB 1,280,922) were mainly prepaid to supplier for materials, which were not fully settled since the materials had not been received.

(2) Top 5 of the closing balance of the advances to suppliers collected according to the target

Unit: RMB

	Balance	Percentage in total advances to suppliers balance
Total balances for the five largest advances to suppliers	66,929,022	47%

7. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	112,611	
Other receivables	205,598,155	200,969,854
Total	205,710,766	200,969,854

(1) Interest receivable

1) Classification of interest receivable

Item	Closing balance	Opening balance
Interest receivable	112,611	
Total	112,611	

(2) Other receivables

1) Classification of other receivables by nature

Unit: RMB

Nature	Closing book balance	Opening book balance
Receivables from special fund for talent	171,000,000	171,000,000

Refundable deposits	6,515,086	6,723,194
Payments made on behalf of other parties	24,014,527	18,672,346
Petty cash	1,710,701	969,748
Advance payment (i)	10,366,164	10,366,164
Others	8,479,296	9,615,428
Total	222,085,774	217,346,880

(i) It is the prepayment for materials of the subsidiary Yingde CBM Mining Co., Ltd. The prepayments accounts were transferred to other receivables and the provision of the bad debts was provided individually.

2) Withdrawal of bad debt provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance on 1 January 2021	4,136,991		12,240,035	16,377,026
Balance on 1 January 2021 in current period	—	—	—	—
--Transferred to the Phase II				
--Transferred to the Phase III				
-- Transferred back to the Phase II				
-- Transferred back to the Phase I				
Withdrawal	165,501			165,501
Recovery	54,908			54,908
Write-off				
Verification				
Other changes				
Balance on 30 June 2021	4,247,584		12,240,035	16,487,619

3) Significant changes in book balance of loss reserve during the current period

Applicable Not applicable

4) Disclosure by the aging of other receivables

Unit: RMB

Aging	Closing balance
Within 1 year (including 1 year)	13,050,601
1 to 2 years	4,691,595
2 to 3 years	4,553,544
Over 3 years	199,790,034
3 to 4 years	4,199,282
4 to 5 years	357,679
Over 5 years	195,233,073
Total	222,085,774

5) Provision for bad debts withdrawn, recovered or reversed during the report period

Provision for bad debts:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Collect or reversal	Write-off	Others	
Provision for bad debts of other receivables	16,377,026	165,501	54,908			16,487,619
Total	16,377,026	165,501	54,908			16,487,619

6) Top 5 of the closing balance of the other accounts receivable collated according to the arrears party

Unit: RMB

Name of Company	Nature of business	Closing balance	Aging	Proportion in the total balance of other receivables at the end of the period	Closing balance of bad debt provision
Company A	Independent third party	171,000,000	Over 5 years	77%	3,420,000
Governmental department B	Independent third party	11,556,004	Over 5 years	5%	231,120
Company C	Independent third party	10,366,164	Over 5 years	5%	10,366,164
Company D	Independent third party	5,570,340	Within 1 year	3%	111,407
Company E	Independent third party	2,397,512	1 to 3 Years	1%	47,950
Total	--	200,890,020	--	91%	14,176,641

8. Inventories

Whether the new revenue standard has been implemented

√ Yes No**(1) Inventory classification**

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Reserve for depreciation of inventory or impairment of contract performance cost	Book value	Carrying amount	Reserve for depreciation of inventory or impairment of contract performance cost	Book value
Raw materials	389,946,146	1,482,237	388,463,909	274,659,097	1,756,185	272,902,912
Products in process	26,364,548		26,364,548	28,355,865		28,355,865
Products in stock	598,597,706	7,375,030	591,222,676	479,482,759	9,369,218	470,113,541
Material in circulation	48,444,935	269,763	48,175,172	44,603,984	819,984	43,784,000
Total	1,063,353,335	9,127,030	1,054,226,305	827,101,705	11,945,387	815,156,318

(2) Provision for decline in the value of inventories

Unit: RMB

Item	Opening balance	Increased in this term		Decreased in this term		Closing balance
		Provision	Others	Reversal or write off	Others	
Raw materials	1,756,185			273,948		1,482,237
Products in stock	9,369,218			1,994,188		7,375,030
Material in circulation	819,984			550,221		269,763
Total	11,945,387			2,818,357		9,127,030

9. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
VAT to be offset	99,590,999	110,350,299
Enterprise income tax prepaid	1,474,796	17,508,242

VAT input to be recognized	13,678,003	12,106,681
Others	505	66,322
Total	114,744,303	140,031,544

10. Investment property

(1) Investment property with fair value measurement mode

√Applicable □ Not applicable

Unit: RMB

Item	Houses, buildings and related land use rights
I. Opening balance	383,084,500
II. Changes in the current period	
Changes in fair value	
III. Closing balance	383,084,500

On July 7, 2020, the Company passed the proposal on converting some self use real estate into investment real estate at the interim meeting of the ninth Board of Directors, and decided to change the use mode of some self use buildings and related land use rights to external leasing, so as to obtain the rental income.

From January to June 2021, the fair value of investment property remained unchanged.

As of June 30, 2021, the Company's investment property was unsecured.

11. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	8,742,434,064	9,145,644,569
Total	8,742,434,064	9,145,644,569

(1) Particulars of fixed assets

Unit: RMB

Item	Buildings	Machinery and equipment	Motor vehicles	Total
I. Original book value:				
1. Opening balance	3,935,917,690	12,009,950,305	240,065,141	16,185,933,136
2. Increased amount of the period				
(1) Acquisition	187,408	21,536,978	10,686,329	32,410,715
(2) Transfers from construction in progress	3,794,668	41,519,615	3,085,303	48,399,586
3. Decreased amount of the period				

(1) Disposal or retirement	326,702	14,088,033	6,955,326	21,370,061
(2) Transfer to construction in progress		4,350,817		4,350,817
(3) Others	4,020,605		875,444	4,896,049
4. Closing balance	3,935,552,459	12,054,568,048	246,006,003	16,236,126,510
II. Accumulative depreciation				
1. Opening balance	1,000,672,653	4,982,036,862	221,652,650	6,204,362,165
2. Increased amount of the period				
(1) Provision	60,922,224	376,935,218	10,697,694	448,555,136
3. Decreased amount of the period				
(1) Disposal or retirement	178,158	12,880,514	6,795,236	19,853,908
(2) Transfer to construction in progress		2,050,431		2,050,431
4. Closing balance	1,061,416,719	5,344,041,135	225,555,108	6,631,012,962
III. Depreciation reserves				
1. Opening balance	34,966,687	800,882,872	76,843	835,926,402
2. Increased amount of the period				
(1) Provision	1,355,749	25,397,000	333	26,753,082
3. Decreased amount of the period				
4. Closing balance	36,322,436	826,279,872	77,176	862,679,484
IV. Book value				
1. Closing book value	2,837,813,304	5,884,247,041	20,373,719	8,742,434,064
2. Opening book value	2,900,278,350	6,227,030,571	18,335,648	9,145,644,569

(2) Fixed assets with pending certificates of ownership

Unit: RMB

Item	Carrying amount	Reasons for not yet obtaining certificates of title
Buildings	828,226,388	Have submitted the required documents and are in the process of application, or the related land use right certificate pending

12. Construction in process

Unit: RMB

Item	Closing balance	Opening balance
Construction in process	2,290,839,174	1,893,380,611
Total	2,290,839,174	1,893,380,611

(1) Particulars of construction in process

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment loss	Book value	Book balance	Provision for impairment loss	Book value
Yichang CSG polysilicon tech-innovation project	1,535,667,571	594,037,334	941,630,237	1,535,667,57	594,037,33	941,630,23
Qingyuan New Materials Phase I technical transformation project	418,460,40		418,460,40	413,852,96		413,852,96
Dongguan PV B Building 450MW PERC battery technology upgrade project	204,832,53		204,832,53	204,801,99		204,801,99
Anhui Lightweight & high-permeability panel for solar energy equipment manufacturing base project	144,743,22		144,743,22	15,039,98		15,039,98
Zhaoqing CSG high-grade energy saving glass production line project	124,468,47		124,468,47	47,026,50		47,026,50
Dongguan solar light and high-efficiency double-glass processing production line construction project	72,387,75	12,749,513	59,638,23	56,711,88	12,749,51	43,962,37
Tianjin Energy-saving Coating Production Line Purchase and Upgrade Project	67,770,96		67,770,96			
Yichang display device company flat panel display project	59,847,72		59,847,72	44,013,62		44,013,62
LED Sapphire Substrate Project	32,420,41	32,420,412		32,420,41	32,420,41	
Wujiang Architectural Glass newly building intelligent manufacturing plant construction project	25,062,66		25,062,66	760,31		760,31
Anhui Fengyang quartz sand project	13,861,69		13,861,69	1,775,55		1,775,55
Zhaoqing CSG high-grade automobile glass production line project	12,194,45		12,194,45	3,403,09		3,403,09
Hebei Panel Glass ultra-thin electronic glass Line II construction project	9,936,47		9,936,47	9,568,45		9,568,45
Wujiang Float Lightweight and	8,722,71		8,722,71	3,572,47		3,572,47

High-efficiency double-glass processing production line construction project						
Xianning CSG 1200T/D Photovoltaic Packaging Material Production Line Project	3,369,68		3,369,68			
Others	196,299,685		196,299,68	163,973,03		163,973,03
Total	2,930,046,433	639,207,259	2,290,839,17	2,532,587,87	639,207,25	1,893,380,61

(2) Changes in important construction projects in the current period

Unit: RMB

Project	Budget	Opening balance	Increased this term	Transfer to fixed assets in this term	Closing balance	Proportion between engineering input and budget	Progress	Projects	Accumulated amount of interest capitalization	Including: amount interest capitalization in current period	Interest capitalization rate in current period	Fund recourse
Yichang CSG polysilicon tech-innovation project	49,520,000	1,535,667,571				1,535,667,571	98%	100%				Internal fund and bank loan
Qingyuan New Materials Phase I technical transformation project	217,690,000	413,852,963	4,607,446			418,460,409	5%	5%				Internal fund and bank loan
Dongguan PV B Building 450MWPERC battery technology upgrade project	100,990,000	204,801,994	30,541			204,832,535		1%				Internal fund and bank loan
Anhui Lightweight & high-permeability panel for solar energy equipment manufacturing base project	3,739,020,000	15,039,984	129,703,239			144,743,223	4%	20%				Internal fund and bank loan
Zhaoqing CSG high-grade energy saving glass production line project	500,000,000	47,026,508	81,211,571	2,508,093	1,261,508	124,468,478	26%	73%	1,120,976	1,030,409	3.80%	Internal fund and bank loan
Dongguan solar light and	76,140,000	56,711,889	15,675,862			72,387,751	27%	51%				Internal fund

high-efficiency double-glass processing production line construction project													and bank loan
Tianjin Energy-saving Coating Production Line Purchase and Upgrade Project	114,945,000		67,770,962			67,770,962	59%	70%	379,912	379,912	4.00%		Internal fund and bank loan
Yichang display device company flat panel display project	1,970,000,000	44,013,628	17,117,774	1,283,676		59,847,726	91%	93%	11,560,142				Internal fund and bank loan
LED Sapphire Substrate Project	35,000,000	32,420,412				32,420,412	93%	93%	4,650,543				Internal fund and bank loan
Wujiang Architectural Glass newly building intelligent manufacturing plant construction project	179,140,610	760,313	24,302,355			25,062,668	14%	20%					Internal fund and bank loan
Anhui Fengyang quartz sand project	739,990,000	1,775,552	12,086,138			13,861,690	2%	8%					Internal fund and bank loan
Zhaoqing CSG high-grade automobile glass production line project	609,830,000	3,403,090	8,791,363			12,194,453	2%	9%					Internal fund and bank loan
Hebei Panel Glass ultra-thin electronic glass Line II construction project	284,964,800	9,568,451	374,664	6,637		9,936,478	4%	4%					Internal fund and bank loan

Wujiang Float Lightweight and High-efficiency double-glass processing production line construction project	158,850,000	3,572,478	5,150,233			8,722,711	6%	6%	6,021	6,021	4.00%	Internal fund and bank loan
Xianning CSG 1200T/D Photovoltaic Packaging Material Production Line Project	858,090,000		3,369,681			3,369,681						Internal fund and bank loan
Others	948,248,194	163,973,037	77,525,057	44,601,180	597,229	196,299,685			295,421			Internal fund and bank loan
Total	10,582,418,604	2,532,587,870	447,716,886	48,399,586	1,858,737	2,930,046,433			18,013,015	1,416,342		--

13. Right of use assets

Unit: RMB

Item	Land-use right	Total
I. Original book value:		
1. Opening balance	13,094,935	13,094,935
2. Increased amount of the period	129,600	129,600
3. Decreased amount of the period		
4. Closing balance	13,224,535	13,224,535
II. Accumulative depreciation		
1. Opening balance	3,454,177	3,454,177
2. Increased amount of the period		
(1) Provision	471,792	471,792
3. Decreased amount of the period		
(1) Disposal		
4. Closing balance	3,925,969	3,925,969
III. Depreciation reserves		
1. Opening balance		
2. Increased amount of the period		
(1) Provision		
3. Decreased amount of the period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Closing book value	9,298,566	9,298,566
2. Opening book value	9,640,758	9,640,758

14. Intangible assets**(1) Particulars of intangible assets**

Unit: RMB

Item	Land use rights	Patents	Exploitation rights	Others	Total
I. Original book value:					
1. Opening balance	1,104,513,769	412,396,040	4,572,365	41,871,072	1,563,353,246

2. Increased amount of this period					
(1) Acquisition	60,172,600		1,079,386	1,751,880	63,003,866
(2) Internal R&D		1,247,970			1,247,970
3. Decreased amount of the period					
(1) Disposal				282,878	282,878
4. Closing balance	1,164,686,369	413,644,010	5,651,751	43,340,074	1,627,322,204
II. Accumulated amortization					
1. Opening balance	207,220,415	161,295,114	4,462,351	37,446,631	410,424,511
2. Increased amount of this period					
(1) Provision	12,033,620	17,637,790	25,010	1,686,725	31,383,145
3. Decreased amount of the period					
(1) Disposal				282,878	282,878
4. Closing balance	219,254,035	178,932,904	4,487,361	38,850,478	441,524,778
III. Impairment provision					
1. Opening balance		13,201,347		9,133	13,210,480
2. Closing balance		13,201,347		9,133	13,210,480
IV. Book value					
1. Closing book value	945,432,334	221,509,759	1,164,390	4,480,463	1,172,586,946
2. Opening book value	897,293,354	237,899,579	110,014	4,415,308	1,139,718,255

At the end of the period, the intangible assets arising from internal research and development accounted for 19.83% of total of intangible assets.

(2) Land use rights without property right certificates

Unit: RMB

Item	Book value	Reason for not yet obtaining certificates of title
Land use rights	4,616,821	

As at June 30, 2021, ownership certificates of land use right (“Land ownership Certificates”) for certain land use rights of the Group with carrying amounts of approximately RMB 4,616,821 (cost: RMB 6,586,712) had not yet been obtained by the Group (as at December 31, 2020, carrying amount: RMB 4,739,196, cost: RMB 6,586,712). The Company’s management is of the view that there is no legal restriction for the Group to apply for and obtain the Land Ownership Certificates and has no adverse effect on the Group’s business operation.

15. Development expenditure

Unit: RMB

Item	Opening balance	The increased amount in the period	The decrease amount in the period		Closing balance
		Internal development expenditure	Recognized as intangible assets	Transfer to current profit and loss	
Development expenditure	49,153,407	10,250,159	1,247,970		58,155,596
Total	49,153,407	10,250,159	1,247,970		58,155,596

During Jan.-Jun. 2021, the total amount of research and development expenditures of the Group was RMB 235,137,041 (Jan.-Jun. 2020: RMB 169,270,099), including RMB 224,886,882 (Jan.-Jun. 2020: RMB 145,063,647) recorded in income statement for current period and the research and development expenditure with the amount of RMB 1,247,970 recognized as intangible assets for the current period (Jan.-Jun. 2020: 134,119). At June 30, 2021, the intangible assets arising from internal research and development accounted for 19.83% of total of intangible assets (31 December 2020: 20.56%).

16. Goodwill**(1) Book value of goodwill**

Unit: RMB

Name of the companies or goodwill item	Opening balance	Increased this term	Decreased this term	Closing balance
Tianjin CSG Energy-Saving Glass Co., Ltd.	3,039,946			3,039,946
Xianning CSG Photoelectric	4,857,406			4,857,406
Shenzhen CSG Display	389,494,804			389,494,804
Total	397,392,156			397,392,156

(2) Goodwill impairment provision

Unit: RMB

Name of the companies or goodwill item	Opening balance	Increased this term	Decreased this term	Closing balance
		Provision	Disposal	
Shenzhen CSG Displayer	164,016,463			164,016,463
Total	164,016,463			164,016,463

17. Long-term prepaid expenses

Unit: RMB

Item	Opening balance	Increased this term	Amortized this term	Other decreases	Closing balance
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Expenses to be amortized	741,179		163,410		577,769
Total	741,179		163,410		577,769

18. Deferred income tax assets/deferred income tax liabilities

(1) Unoffset deferred income tax assets

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for asset impairments	757,515,769	116,072,384	736,119,311	113,183,894
Deductible loss	510,469,789	89,552,256	509,689,080	86,461,610
Government grants	170,555,440	26,512,545	175,322,807	27,297,200
Accrued expenses	6,414,235	962,135	7,184,597	1,077,690
Depreciation of fixed assets	18,044,503	2,706,675	18,804,540	2,822,699
Total	1,462,999,736	235,805,995	1,447,120,335	230,843,093

(2) Unoffset deferred income tax liabilities

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Depreciation of fixed assets	537,687,395	82,452,734	540,143,676	82,946,754
Changes in fair value of investment property	370,245,713	55,536,857	370,245,713	55,536,857
Total	907,933,108	137,989,591	910,389,389	138,483,611

(3) The net balances of deferred tax assets or liabilities

Unit: RMB

Item	Off-set amount of deferred income tax assets and liabilities at the period-end	Closing balance of deferred income tax assets or liabilities after off-set	Off-set amount of deferred income tax assets and liabilities at the period-beginning	Opening balance of deferred income tax assets or liabilities after off-set

Deferred tax assets	32,250,799	203,555,196	35,863,679	194,979,414
Deferred tax liabilities	32,250,799	105,738,792	35,863,679	102,619,932

(4) Details of unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible losses	1,602,170,145	1,458,462,329
Total	1,602,170,145	1,458,462,329

(5) Deductible losses of unrecognized deferred income tax assets will due the following years

Unit: RMB

Year	Closing balance	Opening balance	Note
2021 年	111,625,585	111,625,585	
2022 年	83,303,539	83,303,539	
2023 年	146,238,837	146,238,837	
2024 年	178,208,832	178,208,832	
2025 年	939,085,536	939,085,536	
2026 年	143,707,816		
Total	1,602,170,145	1,458,462,329	--

19. Other non-current assets

Unit: RMB

Item	Closing balance	Opening balance
Prepayment of engineering equipment	365,485,544	186,849,445
Fixed deposit	80,000,000	
Prepayment for lease of land use rights	6,510,000	6,510,000
Total	451,995,544	193,359,445

20. Short-term loans**(1) Short-term loan classification**

Unit: RMB

Item	Closing balance	Opening balance
Mortgage loan		5,000,000

Guaranteed loan	198,560,100	298,095,571
Unsecured loan	114,000,000	49,800,000
Total	312,560,100	352,895,571

(i) On June 30, 2021, the Company provided guarantees for short-term loans of RMB 198,560,100 (31 December 2020: RMB 298,095,571).

(ii) On June 30, 2021, the interest rate range of short-term loans is 2.50% - 4.05% (December 31, 2020: 2.05% - 4.20%).

21. Notes payable

Unit: RMB

Category	Closing balance	Opening balance
Trade acceptance notes	32,197,770	9,903,213
Bank acceptance notes	272,512,582	134,947,979
Total	304,710,352	144,851,192

22. Accounts payable

(1) List of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Materials payable	730,485,919	755,509,571
Equipment payable	190,108,674	209,292,511
Construction expenses payable	196,954,273	146,976,774
Freight payable	66,600,072	70,011,499
Utilities payable	48,346,975	49,441,605
Others	9,652,096	6,601,091
Total	1,242,148,009	1,237,833,051

(2) Significant accounts payable due for over one year

Unit: RMB

Item	Closing balance	Unpaid reason
Construction and equipments	133,063,987	The final account of the project has not been completed, so it has not been settled.
Total	133,063,987	--

23. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Contract liabilities	273,225,477	296,776,624
Total	273,225,477	296,776,624

24. Employee benefits payable**(1) List of employee benefits payable**

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
I. Short-term employee benefits payable	342,315,790	810,446,979	897,705,163	255,057,606
II. Welfare after departure-defined contribution plans	461	55,809,127	55,797,859	11,729
III. Termination benefits	35,915	2,066,360	1,764,646	337,629
Total	342,352,166	868,322,466	955,267,668	255,406,964

(2) List of short-term employee benefits

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
1. Wages and salaries, bonuses, allowances and subsidies	322,617,585	757,598,479	847,523,138	232,692,926
2. Social security contributions	5,288	24,400,419	24,400,158	5,549
Including: Medical insurance	4,957	21,468,251	21,468,267	4,941
Work injury insurance		1,589,916	1,589,639	277
Maternity insurance	331	1,342,252	1,342,252	331
3. Housing funds	1,018,185	19,276,472	18,653,235	1,641,422
4. Labour union funds and employee education funds	18,674,732	9,171,609	7,128,632	20,717,709
Total	342,315,790	810,446,979	897,705,163	255,057,606

(3) List of defined contribution plans

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
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1. Basic pensions	444	53,953,257	53,942,256	11,445
2. Unemployment insurance	17	1,855,870	1,855,603	284
Total	461	55,809,127	55,797,859	11,729

25. Tax payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added-tax payable	58,200,217	82,055,265
Corporate income tax payable	138,196,034	90,295,709
Individual income tax payable	9,064,353	3,600,603
City maintenance and construction tax	3,905,435	6,414,982
Property tax	8,932,017	3,937,112
Education surcharge	3,307,609	4,762,191
Environmental tax payable	1,720,080	1,901,375
Others	6,041,950	1,953,834
Total	229,367,695	194,921,071

26. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Interest payable	34,601,072	132,133,902
Other payables	198,673,151	155,199,090
Total	233,274,223	287,332,992

(1) Interest payable

Unit: RMB

Item	Closing balance	Opening balance
Interest on long-term loans with interest paid by installments and principal repaid at maturity	2,006,273	1,590,247
Interest payable for short-term borrowings	336,734	330,034
Interest payable for medium-term notes		37,955,556
Interest payable for corporate bonds	32,258,065	92,258,065
Total	34,601,072	132,133,902

(2) Other payables**1) Listing other payables by nature of the payment**

Unit: RMB

Item	Closing balance	Opening balance
Guarantee deposits received from construction contractors	111,550,329	77,932,889
Accrued cost of sales(i)	47,553,186	38,943,663
Payable for contracted labour costs	18,605,763	16,548,708
Temporary receipts	10,946,011	10,298,957
Deposit for disabled	6,559,198	4,680,725
Others	3,458,664	6,794,148
Total	198,673,151	155,199,090

(i) The project mainly includes various expenses that have occurred but have not been invoiced on June 30, 2021, including canteen fees, consulting service fees, etc.

27. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year	135,934,639	127,531,709
Medium term notes due within 1 year		800,000,000
Total	135,934,639	927,531,709

28. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output tax to be transferred	32,029,042	34,286,292
Others	300,000	300,000
Total	32,329,042	34,586,292

29. Long-term borrowings**(1) Long-term loan classification**

Unit: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Guaranteed	298,057,017	153,253,983
Unsecured	892,500,000	700,000,000
Total	1,190,557,017	853,253,983

As at 30 June 2021, the interest of long-term borrowings varied from 3.40%-4.60% (31 December 2020: 3.40%-4.60%).

30. Bonds payable

(1) Bonds payable

Unit: RMB

Item	Closing balance	Opening balance
Bonds payable	1,995,284,179	1,994,020,348
Total	1,995,284,179	1,994,020,348

(2) Increase or decrease of bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

Unit: RMB

Name	Face value	Issue date	Term	Amount of issue	Opening balance	Issue in the period	Interest accrued at face value	Amortization of premium and discount	Current repayment	Closing balance
20 CSG 01	100	2020-3-24 to 2020-3-25	3 years	2,000,000,000	1,994,020,348		60,000,000	4,715,821		1,995,284,179
Total	--	--	--	2,000,000,000	1,994,020,348		60,000,000	4,715,821		1,995,284,179

In March 2020, with the approval of China Securities Regulatory Commission, the company was approved to publicly issue 2020 corporate bonds (phase I) to qualified investors, with a face value of RMB 100, an issue amount of RMB 2 billion, a term of 3 years (annual interest payment and principal repayment at maturity), and a coupon rate of 6%; The issuance date is from March 24, 2020 to March 25, 2020, and the value date is March 25, 2020.

31. Deferred income

Unit: RMB

Item	Opening balance	Increase in current period	decrease in current period	Closing balance	Reason
Government grants	498,056,081	92,718,500	16,158,100	574,616,481	
Total	498,056,081	92,718,500	16,158,100	574,616,481	--

Projects involving government subsidies:

Unit: RMB

Item in debt	Opening balance	Increase in current period	Account to other in come in this period	Closing balance	Related to assets or income
Tianjin CSG Golden Sun Project (i)	43,592,443		1,687,446	41,904,997	Assets related
Dongguan CSG Golden Sun Project (ii)	35,075,250		1,375,500	33,699,750	Assets related
Hebei CSG Golden Sun Project (iii)	35,750,000		1,375,000	34,375,000	Assets related
Xianning CSG Golden Sun Project (iv)	38,891,417		1,515,250	37,376,167	Assets related
Infrastructure compensation for Wujiang CSG Glass Co., Ltd (v)	27,504,284		2,020,769	25,483,515	Assets related
Qingyuan Energy-saving project (vi)	14,176,616		977,317	13,199,299	Assets related
Yichang Silicon products project (vii)	13,359,375		1,406,250	11,953,125	Assets related
Yichang CSG silicon slice auxiliary project (viii)	18,456,685		744,527	17,712,158	Assets related
Sichuan energy-saving glass project (ix)	5,513,400		827,010	4,686,390	Assets related
Group coating film experimental project (x)	2,401,800		499,500	1,902,300	Assets related
Yichang high purity silicon material project (xi)	2,720,797		151,588	2,569,209	Assets related
Yichang semiconductor silicon material project (xii)	2,866,666			2,866,666	Assets related
Yichang CSG	43,233,170		1,333,907	41,899,263	Assets related

Display project (xiii)					
Xianning Photoelectric project (xiv)	6,760,000		260,000	6,500,000	Assets related
Shenzhen medical equipment subsidy project(xv)	8,342,000		582,000	7,760,000	Assets related
Group talent fund project (xvi)	171,000,000			171,000,000	Income related
Zhaoqing energy saving industry support fund project(xvii)		92,718,500		92,718,500	Income related
Others	28,412,178		1,402,036	27,010,142	Assets and income related
Total	498,056,081	92,718,500	16,158,100	574,616,481	

Other statement:

(i)The allowance was granted by Tianjin Municipal Government. The allowance was used for establishing PV power station by Tianjin CSG Energy-Saving Glass Co., Ltd. The facilities belonged to Tianjin CSG upon completion. The allowance will be credited to income statement in 20 years, the useful life of the PV power station.

(ii)The allowance was granted by Dongguan Municipal Government. The allowance was used for establishing PV power station by Dongguan CSG Architectural Glass Co., Ltd. The facilities belonged to Dongguan CSG upon completion. The allowance will be credited to income statement in 20 years, the useful life of the PV power station.

(iii)The allowance was granted by Langfang Municipal Government. The allowance was used for establishing PV power station by Hebei CSG Glass Co., Ltd. ("Hebei CSG"). When the facilities were set up, they belonged to Hebei CSG. The allowance will be credited to income statement in 20 years, the useful life of the PV power station.

(iv)The allowance was granted by Xianning Municipal Government. The allowance was used for establishing PV power station by Xianning CSG Glass Co., Ltd. The facilities belonged to Xianning CSG upon completion. The allowance will be credited to income statement in 20 years, the useful life of the PV power station.

(v)The allowance was infrastructure compensation granted by Wujiang municipal government, and will be credited to income statement in 15 years, the shortest operating period as committed by the Group.

(vi)The allowance appropriated by Guangdong Province was a pilot project for strategic emerging industry clusters development, which was used to establish high performance ultra-thin electronic glass production lines by Qingyuan CSG. The allowance will be credited to income statement in 10 years, the useful life of the production line.

(vii)The balance represented amounts granted to Yichang CSG polysilicon Co., Ltd. by Yichang City Dongshan Development

Corporation under the provisions of the investment contract signed between the Group and the Municipal Government of Yi Chang. The proceeds were designed for the construction of electricity transformer and the pipelines. Yichang polysilicon is entitled to the ownership of the facilities, which will be amortised by 16 years according to the useful life of the converting station.

(viii) It represented the government supporting fund obtained by Yichang polysilicon from the acquiring of the assets and liabilities of Crucible project of Yichang Hejing Photoelectric Ceramic Co., Ltd. The proceeds would be amortised and credited to income statement by 16 years after related assets were put into use.

(ix) It represented the funds granted by Chengdu local government for energy glass project. It will be amortised and credited to income statement in 15 years, in accordance with the minimum operating period committed by the Group.

(x) The allowance was granted by Shenzhen City Development and Reform Commission for the development of Group Coating Film experimental project. The project is amortized and included in profit and loss according to the expected service life of relevant fixed assets.

(xi) It represented the funds granted by Hubei local government for import discount complement and international corporation special subsidy. The grant will be amortised and credited to income statement by 12 to 15 years.

(xii) It represented the special subsidy of Yichang National Regional Strategic Emerging Industry Development Pilot Project II, which is used to complement Yichang CSG Polysilicon “Hubei semiconductor silicon preparative technique project laboratory”. The grant will be amortised and credited to income statement by 15 years.

(xiii) It represented the funds granted by Yichang Municipal Government for Yichang CSG Display Company's flat project construction support funds and construction of coil coating three-line project. The grant will be amortised and credited to income statement by 15 years.

(xiv) It represented the funds granted by Xianning Government of the Project supporting fund for photoconductive glass production line, which is used to pay for Xianning CSG Glass Co. Ltd. constructing the project of photoelectric photoelectric optical glass production line. After the completion of the production line, the ownership belongs to Xianning photoelectric. The allowance will be credited to income statement in 8 years, the useful life of the production line.

(xv) The allowance was granted by Shenzhen Municipal Government. The allowance was used for the production line of epidemic prevention materials for Shenzhen CSG Medical Technology Co., Ltd. The facilities belonged to Shenzhen CSG Medical Technology Co., Ltd upon completion. The allowance will be credited to income statement with the useful life of the production line.

(xvi) The allowance was granted by Administrative Commission of Yichang High-tech Industrial Development Zone. For senior management personnel, engineering technical personnel and senior professional technical team which is working at Yichang or plane to introduction, fund of RMB171 million was set up, as a special fund for talent introduction and housing resettlement.

(xvii) It is the financial support fund for Provincial Industrial Co Construction in 2021 allocated by the Finance Bureau of Zhaoqing high tech Industrial Development Zone for Zhaoqing energy conservation company, which is used for enterprise development, production and operation.

32. Share Capital

Unit: RMB

	Opening balance	Changed in the report period(+,-)					Closing balance
		New issues	Bonus issue	Transferred from reserves	Others	Sub-total	
Total of capital shares	3,070,692,107						3,070,692,107

33. Capital surplus

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
Capital premium (share premium)	655,424,260			655,424,260
Other capital surplus	-58,427,175			-58,427,175
Total	596,997,085			596,997,085

34. Other comprehensive income

Unit: RMB

Item	Opening balance	Occuring in current period						Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Amount transferred into retained earnings in the current period that recognized into other comprehensive income in prior period	Less: income tax expense	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
I. Other comprehensive income items which can not be reclassified to profit or loss								
II. Other comprehensive income items which will be reclassified to profit or loss	161,816,819	1,322,491				1,322,491		163,139,310

Differences on translation of foreign currency financial statements	-1,884,978	1,322,491				1,322,491		-562,487
Finance incentives for energy and technical transformation	2,550,000							2,550,000
Income from conversion of self use real estate and land use right into investment real estate	161,151,797							161,151,797
Total of other comprehensive income	161,816,819	1,322,491				1,322,491		163,139,310

35. Special reserves

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
Safety production cost	10,269,002		1,166,410	9,102,592
Total	10,269,002		1,166,410	9,102,592

36. Surplus reserves

Unit: RMB

Item	Beginning of term	Increased this term	Decreased this term	End of term
Statutory surplus reserve	909,095,854			909,095,854
Discretionary surplus reserve	127,852,568			127,852,568
Total	1,036,948,422			1,036,948,422

37. Undistributed profits

Unit: RMB

Item	The current period	The same period of last year
Retained earnings at the end of the previous term before adjustment	5,336,266,412	4,859,600,841
Retained earnings at the beginning of this term after adjustment	5,336,266,412	4,859,600,841
Add: net profits belonging to equity holders of the Company	1,352,517,465	391,466,723
Less: Appropriations to statutory surplus reserve		
Common stock dividends payable	307,069,211	211,962,885
Retained earnings in the end	6,381,714,666	5,039,104,679

38. Revenue and cost of sales

Unit: RMB

Item	Occurred in current term		Occurred in previous term	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	6,549,257,796	4,117,364,759	4,384,952,565	3,156,673,458
Revenue from other operations	65,544,742	9,262,386	39,268,784	2,893,573
Total	6,614,802,538	4,126,627,145	4,424,221,349	3,159,567,031

39. Tax and surcharge

Unit: RMB

Item	Occurred in current term	Occurred in previous term
City maintenance and construction tax	20,244,886	13,417,822
Educational surcharge	17,918,346	11,582,943
Housing property tax	16,177,724	14,336,199
Land use rights	11,475,052	6,477,593
Stamp tax	3,873,467	2,314,485
Environmental protection tax	3,569,685	3,590,774
Others	706,894	618,576
Total	73,966,054	52,338,392

40. Sales expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Freight expenses	5,430,828	68,005,806
Employee benefits	82,609,837	65,900,124
Entertainment expenses	10,768,857	5,966,150
Business travel expenses	4,144,027	2,646,504
Vehicle use fee	3,994,805	3,267,556
Rental expenses	3,608,518	3,280,632
Depreciation expenses	386,840	464,897
Others	14,382,303	12,107,865
Total	125,326,015	161,639,534

41. Administrative expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Employee benefits	205,775,425	154,039,065
Depreciation expenses	30,558,014	30,983,197
Amortization of intangible assets	31,383,145	26,914,457
General office expenses	14,283,686	11,476,149
Labour union funds	9,143,124	7,058,240
Entertainment fees	8,583,533	4,133,275
Business travel expenses	3,293,171	1,800,471
Utility fees	2,661,302	2,887,017
Canteen fee	3,737,420	3,409,550
Vehicle use fee	2,818,991	2,011,558
Consulting advisers	7,243,698	7,668,560
Factory shutdown losses		42,910,507
Others	35,433,195	22,127,361
Total	354,914,704	317,419,407

42. Research and development expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Research and development expenses	224,886,882	145,063,647
Total	224,886,882	145,063,647

43. Finance expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Interest on borrowings	103,386,761	157,133,164
Less: Capitalised interest	1,416,342	4,954,200
Interest expenses	101,970,419	152,178,964
Less: Interest income	20,024,847	24,931,363
Exchange losses	3,871,530	-499,379
Others	1,182,897	4,994,975

Total	86,999,999	131,743,197
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44. Other income

Unit: RMB

Source of other gains	Occurred in current term	Occurred in previous term
Government subsidy amortization	16,158,100	17,118,391
Industry support funds	1,782,700	3,698,000
Government incentive funds	11,750,470	13,973,402
Research grants	2,129,180	5,613,820
Others	4,733,354	7,605,713
Total	36,553,804	48,009,326

45. Investment income

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Structural deposit income	3,075,863	
Fixed deposit income	596,467	
Total	3,672,330	

46. Credit impairment losses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Losses on bad debts of other receivables	110,593	4,451
Losses on bad debts of accounts receivable	2,413,455	2,957,469
Total	2,524,048	2,961,920

47. Asset impairment losses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Decline in the value of inventories		-154,053
Impairment loss of fixed assets	26,753,082	
Total	26,753,082	-154,053

48. Asset disposal income

Unit: RMB

Source of income from assets disposal	Occurred in current term	Occurred in previous term
Gains and losses on disposal of non current assets	137,638	-342,005
Total	137,638	-342,005

49. Non-operating income

Unit: RMB

Item	Occurred in current term	Occurred in previous term	Amount of non-recurring gain and loss included in the report period
Compensation income	2,504,317	580,519	2,504,317
Amounts unable to pay	2,998,725	876,291	2,998,725
Government subsidy		100,000	
Others	2,048,756	661,321	2,048,756
Total	7,551,798	2,218,131	7,551,798

50. Non-operating expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term	Amount of non-recurring gain and loss included in the report period
Donation	265,306	17,496,945	265,306
Compensation		20,600	
Refund	15,028,336		15,028,336
Others	1,168,343	18,008	1,168,343
Total	16,461,985	17,535,553	16,461,985

51. Income tax expenses**(1) List of income tax expenses**

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Current income tax expenses	260,737,212	94,992,504
Deferred income tax expenses	- 5,456,922	-10,877,296
Total	255,280,290	84,115,208

(2) Adjustment process of accounting profit and income tax expense

Unit: RMB

Item	Occurred in current term
Total profit	1,624,258,194
Current income tax expense accounted by tax and relevant regulations	233,923,611
Costs, expenses and losses not deductible for tax purposes	495,218
Impact on the use of deductible loss of deferred income tax assets not recognized in previous period	-206,530
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax assets	34,517,081
Balance the previous year income tax adjustment	- 6,950,609
Impact of tax incentives	- 6,498,481
Income tax expenses	255,280,290

52. Other comprehensive income

See the note for details.

53. Items of the cash flow statement**(1) Other cash received related to operating activities**

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Interest income	20,024,847	24,931,363
Government grant	113,114,204	33,990,935
Others	45,686,124	10,774,006
Total	178,825,175	69,696,304

(2) Other cash paid related to operating activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Freight expenses	7,337,545	74,815,811
General office expenses	21,928,236	17,610,516
Business travel expenses	9,925,103	6,371,021
Entertainment fees	20,105,592	10,976,482

Vehicle use fee	6,874,692	5,738,312
Maintenance fee	10,878,076	10,630,309
Rental expenses	11,665,203	7,252,265
Insurance	7,889,601	9,758,524
Commission	1,182,897	4,994,975
Consulting fees	5,050,890	5,151,892
Others	143,938,799	126,573,611
Total	246,776,634	279,873,718

(3) Other cash received related to investment activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Deposit	26,124,986	198,380
Income from trial production of construction in progress	6,011,365	27,868,724
Entrusted Loan		300,000,000
Total	32,136,351	328,067,104

(4) Other cash paid related to investment activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Trial production expenditure in construction	6,911,853	21,848,237
Total	6,911,853	21,848,237

(5) Other cash received related to financing activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Deposit		298,227
Total		298,227

(6) Other cash paid related to financing activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Equity incentive repurchase payment		122,445,171
Payment for deposit and margin		3,050,301

Repay financing leases		357,808,728
Other	390,507	53,939
Total	390,507	483,358,139

54. Supplement information to the cash flow statement

(1) Supplement information to the cash flow statement

Unit: RMB

SupplementaryInfo.	Amount of this term	Amount of last term
1. Reconciliation from net profit to cash flows from operating activities	--	--
Net profit	1,368,977,904	401,876,965
Add: Provisions for assets impairment	26,753,082	-154,053
Credit impairment loss	2,524,048	2,961,920
Depreciation of fixed assets	448,555,136	430,017,802
Depreciation of right-of-use assets	471,792	
Amortization of intangible assets	31,383,145	26,914,457
Amortization of long-term prepaid expenses	163,410	821,736
Losses on disposal of fixed assets intangible assets and other long-term assets (" "for gains)	-137,638	342,005
Finance expenses (" "for gains)	101,970,419	152,178,964
Investment loss (" "for gains)	-3,672,330	
Decrease in deferred tax assets (" "for increase)	-8,575,782	-13,637,865
Increase of deferred income tax liability (" "for decrease)	3,118,860	2,760,569
Decrease of inventory (" "for increase)	-236,251,630	-220,040,002
Decrease of operational receivable items (" "for increase)	-260,405,962	-154,063,031
Increase of operational payable items (" "for decrease)	224,537,331	150,101,105
Others	-1,166,410	-436,183
Net cash flow generated by business operation	1,698,245,375	779,644,389
2. Net change of cash and cash equivalents	--	--
Balance of cash at period end	1,647,672,831	3,071,655,971
Less: Initial balance of cash	2,124,028,196	1,831,835,030
Net increasing of cash and cash equivalents	-476,355,365	1,239,820,941

(2) Formation of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	1,647,672,831	2,124,028,196
Incl: Cash on hand	2,899	2,725
Bank deposits that can be readily drawn on demand	1,457,598,945	1,463,954,484
Other cash balances that can be readily drawn on demand	190,070,987	660,070,987
II. Balance of cash and cash equivalents at the end of the period	1,647,672,831	2,124,028,196

55. Assets with restricted ownership or use rights

Unit: RMB

Item	Ending book value	Reason for restriction
Monetary assets	1,760,707	Restricted deposit flow
Fixed assets	17,872,800	Restricted mortgage loan
Total	19,633,507	--

56. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance convert to RMB
Cash at bank and on hand	--	--	42,687,473
Incl: HKD	5,227,274	0.8321	4,349,614
USD	5,827,618	6.4601	37,646,995
EUR	19	7.6862	146
JPY	11,761,130	0.0584	686,850
AUD	797	4.8528	3,868
Accounts receivable			78,787,097
Incl: HKD	1,326,139	0.8321	1,103,480
USD	11,031,918	6.4601	71,267,293
EUR	834,785	7.6862	6,416,324
Short-term borrowings			646
Incl: USD	100	6.4601	646
Accounts payable			35,750,978
Incl: HKD	112,037	0.8321	93,226

USD	5,224,898	6.4601	33,753,364
EUR	222,216	7.6862	1,707,997
JPY	3,362,860	0.0584	196,391
Contract liabilities			26,826,039
Incl: HKD	6,217,181	0.8321	5,173,316
USD	3,351,614	6.4601	21,651,762
EUR	125	7.6862	961

57. Government subsidy

(1) Basic situation of government subsidies

Unit: RMB

Type	Amount	Presentation project	Amount included in current profit and loss
Government subsidy amortization	16,158,100	Other income	16,158,100
Other government subsidies	92,718,500	Deferred income	
Other government subsidies	20,395,704	Other income	20,395,704
Total	129,272,304		36,553,804

(2) Return of government subsidies

√Applicable □ Not applicable

Unit: RMB

Item	Amount	Reason
TCO glass production base industrialization project	15,028,336	

VIII. The changes of consolidation scope

1. Changes in scope of consolidation for other reasons

On April 19, 2021, the Group set up a subsidiary, Xi'an CSG Energy-saving Glass Technology Co., Ltd. (hereinafter referred to as "Xi'an Energy-saving Company"). As of June 30, 2021, the Group had not contributed yet. The Group owns 100% of its equity.

On June 25, 2021, the Group established Anhui CSG Silicon Valley Mingdu Mining Development Co., Ltd. (referred to as "Anhui Mining Company"). As of June 30, 2021, the Group had not contributed yet. The Group owns 60% of its equity.

IX. Interest in other entities

1. Interest in subsidiary

(1) Composition of the Group

Name of subsidiary	Major business location	Place of registration	Scope of business	Shareholding (%)		Way of acquisition
				Direct	Indirect	
Chengdu CSG	Chengdu, PRC	Chengdu, PRC	Development, production and sales of special glass	75%	25%	Establishment
Sichuan CSG Energy Conservation	Chengdu, PRC	Chengdu, PRC	Development, production and sales of special glass and processing of glass	75%	25%	Split-off
Tianjin Energy Conservation	Tianjin, PRC	Tianjin, PRC	Development, production and sales of special glass	75%	25%	Establishment
Dongguan CSG Engineering	Dongguan, PRC	Dongguan, PRC	Intensive processing of glass	75%	25%	Establishment
Dongguan CSG Solar	Dongguan, PRC	Dongguan, PRC	Production and sales of solar glass	75%	25%	Establishment
Dongguan CSG PV-tech	Dongguan, PRC	Dongguan, PRC	Production and sales of hi-tech green battery and components	100%		Establishment
Yichang CSG Polysilicon	Yichang, PRC	Yichang, PRC	Production and sales of high-purity silicon materials	75%	25%	Establishment
Wujiang CSG Engineering	Wujiang, PRC	Wujiang, PRC	Intensive processing of glass	75%	25%	Establishment
Hebei CSG	Yongqing, PRC	Yongqing, PRC	Production and sales of special glass	75%	25%	Establishment
Wujiang CSG	Wujiang, PRC	Wujiang, PRC	Production and sales of special glass	100%		Establishment
China Southern Glass (Hong Kong)	Hong Kong, PRC	Hong Kong, PRC	Investment holding	100%		Establishment
Hebei Shichuang	Yongqing, PRC	Yongqing, PRC	Production and sales of ultra-thin electronic glass		100%	Establishment
Xianning CSG	Xianning, PRC	Xianning, PRC	Production and sales of special glass	75%	25%	Establishment
Xianning CSG Energy-Saving	Xianning, PRC	Xianning, PRC	Intensive processing of glass	75%	25%	Split-off
Qingyuan CSG Energy-Saving	Qingyuan, PRC	Qingyuan, PRC	Production and sales of ultra-thin electronic glass	100%		Establishment

Shenzhen CSG Financial Leasing Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Finance leasing, etc.	75%	25%	Establishment
Jiangyou CSG Mining Development Co., Ltd.	Jiangyou, PRC	Jiangyou, PRC	Production and sales of silica and its by-products	100%		Establishment
Shenzhen CSG PV Energy Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Investment management of photovoltaic plant	100%		Establishment
Qingyuan CSG New Energy Co., Ltd.	Qingyuan, PRC	Qingyuan, PRC	Clean energy development, photovoltaic power generation		100%	Establishment
Suzhou CSG PV-tech Co., Ltd.	Wujiang, PRC	Wujiang, PRC	Clean energy development, photovoltaic power generation		100%	Establishment
Wujiang CSG New Energy Co., Ltd.	Wujiang, PRC	Wujiang, PRC	Clean energy development, photovoltaic power generation		100%	Establishment
Yichang CSG New Energy Co., Ltd	Yichang, PRC	Yichang, PRC	Clean energy development, photovoltaic power generation		100%	Establishment
Shenzhen CSG Display	Shenzhen, PRC	Shenzhen, PRC	Production and sales of display component products	60.8%		Acquisition
Xianning CSG Photoelectric	Xianning, PRC	Xianning, PRC	Photoelectric glass and high aluminium glass		100%	Acquisition
Zhaoqing Energy-Saving Glass	Zhaoqing, PRC	Zhaoqing, PRC	Production and sales of special glass	100%		Establishment
Zhaoqing Automobile Glass	Zhaoqing, PRC	Zhaoqing, PRC	Production and sales of special glass	100%		Establishment
Anhui CSG New Energy Materials	Fengyang, PRC	Fengyang, PRC	Develop, manufacture and sell key materials or complete sets of equipment for new energy power generation	100%		Establishment
Anhui CSG New Quartz material	Fengyang, PRC	Fengyang, PRC	Quartzite mining, processing, purification, sales	100%		Establishment
Anhui Mining	Fengyang, PRC	Fengyang, PRC	Mining of mineral resources	60%		Establishment
Xi'an Energy-saving	Xi'an, PRC	Xi'an, PRC	Production and sales of special glass	55%	45%	Establishment

(2) Important non-wholly owned subsidiary

Unit: RMB

Subsidiaries	Shareholding of minority shareholders	Total profit or loss attributable to minority shareholders for the year ended 30 June 2021	Dividends distributed to minority interests for the year ended 30 June 2021	Minority interest as at 30 June 2021

Shenzhen CSG Display	39.20%	15,671,487		388,306,164
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(3) Major financial information of important non-wholly owned subsidiaries

Unit: RMB

Name of Subsidiary	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen CSG Display	245,824,959	1,392,976,463	1,638,801,422	535,730,360	56,375,022	592,105,382
	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
	304,147,421	1,405,344,962	1,709,492,383	630,254,366	81,201,074	711,455,440

Unit: RMB

Name of Subsidiary	Occurred in current term				Occurred in previous term			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen CSG Display	378,092,939	46,313,955	46,313,955	57,269,209	212,884,437	25,080,790	25,080,790	61,513,296

2. Interests in joint ventures

Company Name	Date of establishment	Registered capital (RMB 0,000)	Equity ratio	Relationship with the company
Yichang Nanxing Automotive Electronics Co., Ltd.	October 13, 2020	9,000	30.40%	Joint venture
Yichang Rongsheng New Material Co., Ltd.	October 19, 2020	500	39%	Joint venture

As of June 30, 2021, the Group had not actually injected capital into the above associated enterprises.

X. Risk related to financial instrument

The Group's activities expose it to a variety of financial risks: market risk (primarily currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(1) Market risk

(a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. However, some of the export business is settled in foreign currency. Besides, the Group is exposed to foreign exchange risk arising from the recognized assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to US dollars and HKD. The Group monitors the scale of foreign currency transactions, foreign currency assets and liabilities, and adjusts settlement currency of export business, to furthest reduce the currency risk.

As at 30 June 2021, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarized below:

	30 June 2021			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency				
Cash at bank and on hand	37,646,995	4,349,614	690,864	42,687,473
Receivables	71,267,293	1,103,480	6,416,324	78,787,097
Total	108,914,288	5,453,094	7,107,188	121,474,570
Financial liabilities denominated in foreign currency				
Short-term borrowings	646			646
Payables	33,753,364	93,226	1,904,388	35,750,978
Total	33,754,010	93,226	1,904,388	35,751,624

	31 December 2020			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency				
Cash at bank and on hand	16,599,430	5,997,799	1,109,657	23,706,886
Receivables	84,333,333	1,392,919	6,699,153	92,425,405
Total	100,932,763	7,390,718	7,808,810	116,132,291
Financial liabilities denominated in foreign currency				
Short-term borrowings		63,120,000		63,120,000
Payables	47,632,226	3,868,806	4,443,735	55,944,767
Total	47,632,226	66,988,806	4,443,735	119,064,767

As at 30 June 2021, if the currency had strengthened/weakened by 10% against the USD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB 6,388,624 lower/higher (31 December 2020: approximately RMB 4,530,546 lower/higher) for various financial assets and liabilities denominated in USD.

Other changes in exchange rate had no significant influence on the Group's operating activities.

(b) Interest rate risk

The Group's interest rate risk arises from long-term interestbearing borrowings including long-term borrowings and bonds payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2021, the Group's long-term interest-bearing debt at variable rates and fixed rates as illustrated below:

Type	30 June 2021	31 December 2020
Debt at fixed rates	2,357,285,920	2,105,274,331
Debt at variable rates	828,555,276	742,000,000
Total	3,185,841,196	2,847,274,331

The Group continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial position. The Group makes adjustments timely with reference to the latest market conditions, which includes increasing/decreasing long-term fixed rate debts at the anticipation of increasing/decreasing interest rate.

(2) Credit risk

Credit risk is managed on the grouping basis. Credit risk mainly arises from cash at bank, notes receivable, accounts receivable, other receivables.

The Group expects that there is no significant credit risk associated with cash at bank since they are mainly deposited at state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties. Furthermore, as the Group's bank acceptance notes receivable are generally accepted by the state-owned banks and other large and medium listed banks, management believes the credit risk should be limited.

In addition, the Group has policies to limit the credit exposure on accounts receivable, other receivables and trade acceptance notes receivable. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group's finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash reserve, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The management intends to take the following measures to ensure that the group's liquidity risk is within a controllable range.

- (a) The Group will have steady cash inflows from operating activities;
- (b) The Group will pay the debts that mature and finance the construction projects through the existing bank facilities;
- (c) The Group will closely monitor the payment of construction expenditure in terms of payment time and amount.

The financial liabilities of the Group at the balance sheet date are analysed by their maturity date below at their undiscounted contractual cash as follows:

	30 June 2021				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	318,162,276				318,162,276
Notes payable	304,710,352				304,710,352
Accounts payable	1,242,148,009				1,242,148,009
Other payables	233,274,223				233,274,223
Other current liabilities	32,329,042				32,329,042
Non-current liabilities due within one year	138,831,418				138,831,418
Long-term borrowings	46,088,172	715,895,293	526,921,195		1,288,904,660
Bonds payable	120,000,000	2,087,741,935			2,207,741,935
Total	2,435,543,492	2,803,637,228	526,921,195		5,766,101,915

	31 December 2020				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	357,872,322				357,872,322
Notes payable	144,851,192				144,851,192
Accounts payable	1,237,833,051				1,237,833,051
Other payables	287,332,992				287,332,992
Other current liabilities	34,586,292				34,586,292
Non-current liabilities due within one year	951,180,309				951,180,309
Long-term borrowings	32,663,037	731,295,181	154,771,873		918,730,091
Bonds payable	120,000,000	120,000,000	2,027,741,935		2,267,741,935
Total	3,166,319,195	851,295,181	2,182,513,808		6,200,128,184

XI. Disclosure of fair value

1. The ending fair value of assets and liabilities measured at fair value

Based on the lowest level input that is significant to the fair value measurement in its entirety, the fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or

indirectly.

Level 3: Unobservable inputs for the asset or liability.

(a) Assets continuously measured at fair value

By June30, 2021, the Group's using assets and liabilities measured at fair value are listed three levels as followings:

	30 June 2021			
	Level 1	Level 2	Level 3	Total
Measured at fair value through other comprehensive income				
Receivables Financing		444,025,966		444,025,966
Investment property		383,084,500		383,084,500
Total		827,110,466		827,110,466

(b) Assets and liability that not measured but disclosed at fair value

The group's financial assets and financial liabilities measured at amortized cost mainly include: accounts receivable, short-term borrowings, accounts payable, long term borrowings, bonds payable, long-term payables, ect.

Except for financial liabilities listed below, book value of the other financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

	30 June 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Medium term notes			800,000,000	803,364,000
Corporate bonds	1,995,284,179	2,002,974,000	1,994,020,348	1,987,041,277
Total	1,995,284,179	2,002,974,000	2,794,020,348	2,790,405,277

The fair values of corporate bonds and medium-term notes are the present value of the contractually determined stream of future cash flows at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and corporate bonds belongs to Level 2.

XII. Related party and related Transaction

1. Information of the parent company

The Company regards no entity as the parent company.

2. Information of the subsidiaries

The general information and other related information of the subsidiaries are set out in attached note.

3. Joint venture of the Company

The general information and other related information of joint ventures of the Company are set out in attached note.

4. Other related parties

Other related parties	Relationship between other related parties and the enterprise
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Shenzhen Jushenghua Co., Ltd.	Party acting in concert of the Company's largest shareholder
Foresea Life Insurance Co., Ltd.	The Company's largest shareholder
Xinjiang Qianhai United Property Insurance Co., Ltd.	Related parties of the person acting in concert of the Company's largest shareholder
Suzhou Baoqi Logistics Co., Ltd.	Related parties of the person acting in concert of the Company's largest shareholder

5. Related party transactions

(1) Related transactions for the purchase and sale of goods, provision and receipt of services

Purchase of goods / acceptance of labor services

Unit: RMB

Related party	Related party transactions	Amount incurred in the current period	Amount incurred in the previous period
Suzhou Baoqi Logistics Co., Ltd.	Acceptance of labor services	5,247,713	
Other related parties	Purchase of goods	2,428,018	
Total		7,675,731	

Sales of goods / provision of labor services

Unit: RMB

Related party	Related party transactions	Amount incurred in the current period	Amount incurred in the previous period
Shenzhen Jushenghua Co., Ltd.	Sales of goods	500	12,118,000
Other related parties	Sales of goods	559,600	6,222,400
Total		560,100	18,340,400

Note: Other related parties include many companies, and the amount is scattered, so they are listed in combination.

(2) Purchase insurance

Unit: RMB

Related party	Related party transactions	Amount incurred in the current period	Amount incurred in the previous period
Foresea Life Insurance Co., Ltd.	Purchase life insurance	1,224,197	1,903,094
Xinjiang Qianhai United Property Insurance Co., Ltd.	Purchase auto insurance and property insurance	84,149	178,374
Total		1,308,346	2,081,468

6. Accounts receivable and payable of related parties**(1) Receivables**

Unit: RMB

Related party	Closing balance		Opening balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Shenzhen Qianhai Liandongyun Car Rental Co., Ltd.	54,000	1,080		
Other related parties	3,600	72	223,200	4,464
Total	57,600	1,152	223,200	4,464

(2) Payables

Related party	Closing book balance	Opening book balance
Suzhou Baoqi Logistics Co., Ltd.	3,166,829	2,617,344
Total	3,166,829	2,617,344

7. Commitment of related parties

Applicable Not applicable

XIII. Commitments and contingencies**1. Significant commitments****(1) Capital commitments**

Capital expenditures contracted for by the Group at the balance sheet date but are not yet necessary to be recognized on the balance sheet are as follows:

Item	30 June 2021	31 December 2020
Buildings, machinery and equipment	2,183,985,008	552,259,223

(2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarized as follows:

	30 June 2021	31 December 2020
Within 1 year	6,548,841	7,813,728
1 to 2 years	1,278,028	541,288
2 to 3 years	477,816	

Total	8,304,685	8,355,016
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XIV. Other important matters

1. Segment information

(1) Definition foundation and accounting policy of segment

The Group's business activities are categorised by product and service as follows:

Glass segment, engaged in production and sales of float glass and engineering glass and other building energy - saving materials, the silica for the production thereof, etc.

Solar energy segment, engaged in manufacturing and sales of polysilicon and solar battery and applications, etc.

Electronic glass and display segment is responsible for production and sales of display components and special ultra-thin glass products, etc.

The reportable segments of the Group are the business units that provide different products or service. Different businesses require different technologies and marketing strategies. The Group, therefore, separately manages the production and operation of each reportable segment and Estimates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

Inter-segment transfer prices are measured by reference to selling prices to third parties.

The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment. Expenses indirectly attributable to each segment are allocated to the segments based on the proportion of each segment's revenue.

(2) Financial information of segment

Unit: RMB

Item	Glass industry	Electronic glass and display	Solar energy and other industries	Unallocated	Elimination	Total
Revenue from external customers	5,322,998,745	878,276,652	413,344,356	182,785		6,614,802,538
Inter-segment revenue	29,578,235	2,611,456	27,109,441	42,470,064	- 101,769,196	
Interest income	1,560,878	381,279	102,225	17,980,465		20,024,847
Interest expenses	1,043,753	6,590,813	-8,940	94,371,623	- 26,830	101,970,419
Asset impairment losses			26,753,082			26,753,082

Credit impairment loss	2,546,188	42,069	-73,682	9,473	2,524,048
Depreciation and amortization expenses	303,315,122	113,734,222	60,032,838	3,491,301	480,573,483
Total profit	1,523,058,899	260,561,952	- 10,198,984	- 149,163,673	1,624,258,194
Income tax expenses	221,827,221	35,978,878	- 826,977	- 1,698,832	255,280,290
Net profit	1,301,231,678	224,583,074	- 9,372,007	- 147,464,841	1,368,977,904
Total assets	8,877,884,979	3,770,358,832	4,067,923,562	1,846,934,257	18,563,101,630
Total liabilities	2,542,266,265	668,947,088	271,254,713	3,402,684,904	6,885,152,970
Increase in non current assets	499,420,148	34,666,192	8,444,928	129,078	542,660,346

(3) Other statement

The Group's revenue from external customers domestically and in foreign countries or geographical areas, and the total non-current assets other than financial assets and deferred tax assets located domestically and in foreign countries or geographical areas are as follows:

Revenue from external customers	Jan.-Jun. 2021	Jan.-Jun. 2020
Mainland	5,993,997,205	3,862,784,501
Overseas	620,805,333	561,436,848
Total	6,614,802,538	4,424,221,349
Total non-current assets	30 June 2021	31 December 2020
Mainland	12,946,829,944	12,652,550,312
Hong Kong	12,433,408	12,463,605
Total	12,959,263,352	12,665,013,917

2. Other important transactions and matters that have an impact on investors' decisions

Applicable Not applicable

XV. Notes to Financial Statements of the Parent Company

1. Other receivables

Unit: RMB

Item	Ending book balance	Beginning book balance
Interest receivable	112,611	
Dividends receivable		249,087,257
Other receivables	3,402,452,584	3,554,821,112

Total	3,402,565,195	3,803,908,369
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(1) Interest receivable**1) Classification of interest receivable**

Unit: RMB

Nature of accounts	Ending book balance	Beginning book balance
Interest receivable	112,611	
Total	112,611	

(2) Classification of dividends receivable

Project (or investee)	Closing balance	Opening balance
Dividends receivable from subsidiaries		249,087,257
Total		249,087,257

(3) Other receivables**1) Other accounts receivable classified by the nature of accounts**

Unit: RMB

Nature of accounts	Ending book balance	Beginning book balance
Accounts receivable of related party	3,230,505,957	3,383,284,639
Others	177,007,810	176,588,183
Total	3,407,513,767	3,559,872,822

2) Withdrawal of bad debt provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance on 1 January 2021	3,500,744		1,550,966	5,051,710
Balance on 1 January 2021 in current period	—	—	—	—
--Transferred to the				

Phase II				
--Transferred to the Phase III				
-- Transferred back to the Phase II				
-- Transferred back to the Phase I				
Withdrawal	9,473			9,473
Recovery				
Write-off				
Verification				
Other changes				
Balance on 30 June 2021	3,510,217		1,550,966	5,061,183

3) Disclosure by aging

Unit: RMB

Aging	Closing balance
Within 1 year (including 1 year)	3,232,299,734
Over 1 year	175,214,033
Total	3,407,513,767

4) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Collect or reversal	Write-off	Others	
Provision for bad debts by portfolio	5,051,710	9,473				5,061,183
Total	5,051,710	9,473				5,061,183

5) Top 5 of the closing balance of the other accounts receivable collated according to the arrears party

Unit: RMB

Name of the company	Nature of accounts	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
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CSG Technology	Subsidiary	754,757,255	Within 1 year	22%	
Shenzhen CSG Display	Subsidiary	386,042,771	Within 1 year	11%	
Qingyuan CSG Energy-saving	Subsidiary	361,938,627	Within 1 year	11%	
Dongguan CSG PV-tech	Subsidiary	217,211,159	Within 1 year	6%	
China Southern Glass (Hong Kong)	Subsidiary	214,438,085	Within 1 year	6%	
Total	--	1,934,387,897	--	56%	

2. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	6,189,306,870	15,000,000	6,174,306,870	5,859,507,870	15,000,000	5,844,507,870
Total	6,189,306,870	15,000,000	6,174,306,870	5,859,507,870	15,000,000	5,844,507,870

(1) Investment in subsidiaries

Unit: RMB

Invested company	Opening balance (book value)	Increase and decrease in the current period				Closing balance (book value)	Closing balance of provision for impairment
		Additional investment	Reducing investment	Provision for impairment	Others		
Chengdu CSG Glass Co., Ltd.	151,397,763					151,397,763	
Sichuan CSG Energy Conservation	119,256,949					119,256,949	
Tianjin Energy Conservation Glass Co., Ltd.	247,833,327					247,833,327	
Dongguan CSG Architectural Glass Co., Ltd.	198,276,242					198,276,242	
Dongguan CSG Solar Glass Co., Ltd.	355,120,247					355,120,247	
Yichang CSG Polysilicon Co., Ltd.	640,856,170					640,856,170	
Wujiang CSG North-east	254,401,190					254,401,190	

Architectural Glass Co., Ltd.							
Hebei CSG Glass Co., Ltd.	266,189,705					266,189,705	
China Southern Glass (Hong Kong) Limited	87,767,304					87,767,304	
Wujiang CSG Glass Co., Ltd.	567,645,430					567,645,430	
Jiangyou CSG Mining Development Co., Ltd.	102,415,096					102,415,096	
Xianning CSG Glass Co., Ltd.	181,116,277					181,116,277	
Xianning CSG Energy Conservation Glass Co., Ltd.	165,452,035					165,452,035	
Qingyuan CSG Energy Saving New Materials Co.,Ltd.	885,273,105					885,273,105	
Shenzhen CSG Financial Leasing Co., Ltd.	133,500,000					133,500,000	
Shenzhen CSG PV Energy Co., Ltd.	100,335,176					100,335,176	
Shenzhen Nanbo Display Technology Co., Ltd.	550,765,474					550,765,474	
Zhaoqing CSG Energy-Saving Glass Co., Ltd.	129,701,000	20,299,000				150,000,000	
Zhaoqing CSG Automobile Glass Co., Ltd.	43,201,000	12,500,000				55,701,000	
Dongguan CSG PV-tech Co., Ltd.	382,112,183					382,112,183	
Anhui CSG New Energy Materials	20,000,000	280,000,000				300,000,000	
Anhui CSG New Quartz material	3,000,000	17,000,000				20,000,000	
Shenzhen CSG Medical	20,000,000					20,000,000	
Others	253,892,197					253,892,197	15,000,000
Total	5,859,507,870	329,799,000				6,189,306,870	15,000,000

3. Operating income and operating costs

Unit: RMB

Item	Occurred in this term		Occurred in previous term	
	Income	Costs	Income	Costs
Other business	42,342,857		37,484,754	
Total	42,342,857		37,484,754	

4. Investment income

Unit: RMB

Item	Occurred in this term	Occurred in previous term
Long-term equity investment accounted by cost method	715,020,699	703,591,508
Investment income of trading financial assets during the holding period	2,858,476	
Fixed deposit income	596,467	
Total	718,475,642	703,591,508

XVI. Supplementary Information**1. Items and amounts of extraordinary profit (gains)/loss**

√Applicable □Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	137,638	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	34,784,072	
In addition to the effective hedging business related to the normal business of the company, the profit and loss from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, as well as the investment income from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other creditor's rights investments	3,672,330	
Other non-operating income and expenditure except for the aforementioned items	-8,910,187	
Less: Impact on income tax	5,384,885	
Impact on minority shareholders' equity (post-tax)	1,596,031	
Total	22,702,937	--

Explain reasons for the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*.

□Applicable √ Not applicable

2. Return on net assets and earnings per share

Profit in the report period	The weighted average net assets ratio	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	12.60%	0.44	0.44
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	12.39%	0.43	0.43

3. Difference of accounting data under domestic and overseas accounting standards

(1) Differences of the net profit and net assets disclosed in financial report prepared under international and Chinese accounting standards

Applicable Not applicable

(2) Difference of the net profit and net assets disclosed in financial report prepared under overseas and Chinese accounting standards

Applicable Not applicable