

CSG HOLDING CO., LTD.
ANNUAL REPORT 2021



Chairman of the Board:

CHEN LIN

April 2022

Section I. Important Notice, Content and Paraphrase

Board of Directors and the Supervisory Committee of CSG Holding Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take individual and joint legal responsibilities for the facticity, accuracy and completeness of the whole contents.

Ms. Chen Lin, Chairman of the Board, Mr. Wang Jian, responsible person in charge of accounting and Ms. Wang Wenxin, principal of the financial department (accounting officer) confirm that the Financial Report enclosed in this Annual Report 2021 is true, accurate and complete.

All directors were present at the meeting of the Board for deliberating the annual report of the Company in person.

The future plans, development strategies and other forward-looking statements mentioned in this report do not constitute a material commitment of the Company to investors. Investors and relevant parties should pay attention to investment risks, and understand the differences between plans, forecasts and commitments.

The Company has described the risk factors and countermeasures of the Company's future development in detail in this report. Please refer to Section III. Management Discussion and Analysis.

The Company shall comply with the disclosure requirements of "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 13 - Listed Companies Engaged in Non-Metal Building Materials Related Business".

The deliberated and approved plan of profit distribution in the Board Meeting is distributing cash dividend of RMB 2 yuan (tax included) for every 10 shares to all shareholders based on 3,070,692,107 shares of the total current share capital. The actual amount of the cash dividend distributed will be determined according to the total share capital on the registration date of the Company's implementation of the profit distribution plan.

This report is prepared both in Chinese and English. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

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Documents Available for Reference

- I. Text of the financial report carrying the signatures and seals of the legal representative, responsible person in charge of accounting and person in charge of financial institution;
- II. Original of the Auditors' Report carrying the seal of accounting firm and the signatures and seals of the certified public accountants;
- III. All texts of the Company's documents and original public notices disclosed in the website and papers appointed by CSRC in the report period.

Paraphrase

Items	Refers to	Contents
Company, the Company, CSG or the Group	Refers to	CSG Holding Co., Ltd.
Foresea Life	Refers to	Foresea Life Insurance Co., Ltd.
Flat glass	Refers to	Including float glass, photovoltaic glass
Ultra-thin electronic glass	Refers to	The electronic glass with thickness between 0.1~1.1mm
Second-generation energy-saving glass	Refers to	Double silver coated glass
Third-generation energy-saving glass	Refers to	Triple silver coated glass
AG glass	Refers to	Anti-glare glass
AF glass	Refers to	Anti-fingerprint glass

Section II. Company Profile & Financial Highlights

I. Company information

Code for A-share	000012	Code for B-share	200012
Short form for A-share	Southern Glass A	Short form for B-share	Southern Glass B
Listing stock exchange	Shenzhen Stock Exchange		
Legal Chinese name of the Company	中国南玻集团股份有限公司		
Abbr. of legal Chinese name of the Company	南玻集团		
Legal English name of the Company	CSG Holding Co., Ltd.		
Abbr. of legal English name of the Company	CSG		
Legal Representative	Chen Lin		
Registered Add.	CSG Building, No.1, the 6th Industrial Road, Shekou, Shenzhen, P. R.C.		
Post Code	518067		
Office Add.	CSG Building, No.1, the 6th Industrial Road, Shekou, Shenzhen, P. R.C.		
Post Code	518067		
Internet website	www.csgholding.com		
E-mail	securities@csgholding.com		

II. Person/Way to contact

	Secretary of the Board	Representative of security affairs
Name	Yang Xinyu	Chen Chunyan
Contacts add.	CSG Building, No.1 of the 6th Industrial Road, Shekou, Shenzhen, P. R.C.	CSG Building, No.1 of the 6th Industrial Road, Shekou, Shenzhen, P. R.C.
Tel.	(86)755-26860666	(86)755-26860666
Fax.	(86)755-26860685	(86)755-26860685
E-mail	securities@csgholding.com	securities@csgholding.com

III. Information disclosure and preparation place

The website of the stock exchange where the company discloses the annual report	www.szse.cn
The name and website of the media where the company discloses the annual report	Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and Hong Kong Commercial Daily, Juchao Website (www.cninfo.com.cn)
The place for preparation of the annual report	Office of the Board of Directors of the Company

IV. Registration changes of the Company

Organization code	Unified social credit code: 914403006188385775
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Changes of main business since listing (if applicable)	No changes
Previous changes for controlling shareholders (if applicable)	No changes

V. Other relevant information

CPA firm engaged by the Company

Name of CPA firm	Asia Pacific (Group) CPAs (special general partnership)
Offices add. for CPA firm	2001, 20th Floor, Building 3, No. 16, Lize Road, Fengtai District, Beijing
Signing Accountants	Zhou Xianhong, Wu Yiluo

Sponsor institute engaged by the Company for performing continuous supervision duties in the report period

Applicable Not applicable

Financial consultant engaged by the Company for performing continuous supervision duties in the report period

Applicable Not applicable

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	2021	2020	Changes over the previous year	2019
Operating income (RMB)	13,629,033,650	10,671,253,445	27.72%	10,472,028,099
Net profit attributable to shareholders of the listed company (RMB)	1,529,329,304	779,325,592	96.24%	536,430,818
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	1,439,540,257	539,976,457	166.59%	374,386,216
Net cash flow arising from operating activities (RMB)	3,902,084,385	2,730,619,636	42.90%	2,379,036,320
Basic earnings per share (RMB/Share)	0.50	0.25	100%	0.17
Diluted earnings per share (RMB/Share)	0.50	0.25	100%	0.17
Weighted average ROE (%)	14.13%	7.91%	6.22%	5.77%
	As at 31 Dec. 2021	As at 31 Dec. 2020	Changes over the end of the previous year	As at 31 Dec. 2019
Total assets (RMB)	19,939,364,510	17,882,914,898	11.50%	18,201,235,959
Net assets attributable to shareholders of the listed company (RMB)	11,429,661,046	10,212,989,847	11.91%	9,495,588,878

The lower of the Company's net profit before and after the deduction of non-recurring gains and losses in the last three fiscal years is negative, and the auditor's report of the previous year shows that the Company's going concern ability is uncertain

Yes No

The lower of the net profit before and after the deduction of the non-recurring gains and losses is negative

Yes No

VII. Accounting Data Differences under Chinese Accounting Standards (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Income and Equity Differences under CAS and IFRS

Applicable Not applicable

No such differences for the Report Period.

2. Net Income and Equity Differences under CAS and Foreign Accounting Standards

Applicable Not applicable

No such differences for the Report Period.

VIII. Main financial indexes by quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	3,006,832,539	3,607,969,999	3,632,036,581	3,382,194,531
Net profit attributable to shareholders of the listed company	573,268,793	779,248,672	157,313,336	19,498,503
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	572,808,470	757,006,058	135,934,112	-26,208,383
Net cash flow arising from operating activities	341,291,798	1,356,953,577	937,245,178	1,266,593,832

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the Company's quarterly report and semi-annual report or not

Yes No

IX. Items and amounts of non-recurring gains and losses

√Applicable □ Not applicable

Unit: RMB

Item	2021	2020	2019	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-1,493,248	-1,158,984	-909,968	
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)	104,507,242	99,660,400	184,131,420	
Profit and loss from debt restructuring	-285,025			
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 holding trading financial assets and trading financial liabilities, as well as the investment income obtained from the disposal of trading financial assets, trading financial liabilities and available for sale financial assets	17,132,672	2,654,504		
Reversal of provision for impairment of receivables that have been individually tested for impairment	1,429,653			
Loss and profit from external entrusted loan		5,546,384	11,894,654	
Profits and losses arising from changes in the fair value of investment real estate that are subsequently measured using the fair value model		179,911,200		
Other non-operating income and expenditure except for the aforementioned items	-13,526,210	-6,284,556	-1,612,253	
Less: Impact on income tax	14,201,899	38,334,180	25,951,263	
Impact on minority shareholders' equity (post-tax)	3,774,138	2,645,633	5,507,988	
Total	89,789,047	239,349,135	162,044,602	--

Particulars about other gains and losses that meet the definition of non-recurring gains and losses:

□ Applicable √ Not applicable

It did not exist that other profit and loss items met the definition of non-recurring gains and losses.

Explanation of the non-recurring gains and losses listed in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public - Non-recurring Gains and Losses as recurring gains and losses

□ Applicable √ Not applicable

It did not exist that non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profit and Loss" were defined as recurring profit and loss items in the report period.

Section III. Management Discussion and Analysis

I. Particulars about the industry the Company engages in during the report period

Flat glass industry

In the float glass industry, under the background of national supply-side reform and other policies in recent years, the management of capacity replacement has been strictly implemented, outdated production capacity and zombie production capacity have been gradually eliminated, and the overcapacity status of the industry has been effectively improved. According to the statistics of third-party industry information institutions, by the end of 2021, there were 264 float glass production lines in production in China, with a total daily melting capacity of about 175,000 tons. With the implementation of the "Implementation Measures for Capacity Replacement in the Cement Glass Industry" on August 1, 2021, the production capacity of float glass will continue to be controlled, the market supply and demand will be in a relatively balanced state, and the cyclical characteristics of the industry will be weakened. The traditional application direction of float glass is mainly building materials, and its market demand change is positively related to infrastructure investment and the prosperity of the real estate industry. At the same time, with the continuous improvement of the proportion of green buildings, building safety requirements and the improvement of social consumption level in recent years, the market demand of float glass has also undergone structural changes: according to the national guidelines such as the "Action Plan for Carbon Peaking Before 2030" and the "Comprehensive Work Plan for Energy Conservation and Emission Reduction in the 14th Five-Year Plan", by 2025, 100% of new urban buildings are required to meet the green building standards (approximately 50% in 2020). Due to the significant contribution of energy-saving glass to energy saving in the process of building use, it can be expected that the deep processing rate of flat glass in the building materials field will further increase during the "14th Five-Year Plan" period, which will drive the structural demand for deep-processing high-end float products to increase. With the continuous improvement of people's living standards, the demand for work and life improvement such as automobiles, home furnishing, and intelligence has grown rapidly, driving the rapid increase in the demand for high-quality float glass in related application scenarios. The above-mentioned continuous increase in demand for high-quality glass is beneficial to leading companies in the high-end market in the industry.

Photovoltaic glass products are mainly ultra-white rolled glass, which is an indispensable packaging material for photovoltaic modules due to its high weather resistance, high transmittance and high strength after processing. In recent years, the photovoltaic glass industry as a whole has developed rapidly with the development of technology and scale of photovoltaic new energy industry. Photovoltaic power generation is one of the main forms of renewable energy. With the continuous decline of photovoltaic power generation costs, it has achieved "grid parity". Photovoltaic new energy has become the first choice for the development of renewable energy in countries around the world due to its wide adaptability and low cost. It is expected that in the future market development will maintain a state of rapid growth. According to the forecast of the China Photovoltaic Industry Association, the global photovoltaic installed capacity will exceed 300GW in 2025, with a compound annual growth rate of more than 20%. The continuous and rapid growth of photovoltaic installed capacity and the increase in the penetration rate of dual-glass modules and large-scale modules will continue to drive the growth in demand for photovoltaic glass.

The rapid growth of new photovoltaic energy has stimulated the development of the photovoltaic glass industry. According to the industry investment in recent years, the investment of new photovoltaic glass production capacity in 2021 and 2022 is relatively concentrated. According to the statistics of third-party industry information institutions, by the end of 2021, there were 67 photovoltaic glass kilns in production in China, with a total daily melting capacity of more than 40,000 tons, an increase of nearly 40% year-on-year. The domestic photovoltaic glass output exceeded 10 million tons for the first time in 2021. The "Implementation Measures for Capacity Replacement in the Cement Glass Industry"

clarifies that "the capacity replacement measure is not applied in the photovoltaic rolled glass project". In the future, the new capacity of photovoltaic glass will be adjusted and controlled through the overall control of local energy consumption and the conclusion of feasibility seminar by industry experts to demonstrate. According to the capacity construction plan disclosed by enterprises in the industry, it is expected that the new production capacity of photovoltaic glass will maintain a relatively high growth rate in 2022.

In addition, environmental protection is the lifeline for the survival and development of flat glass companies, and it is a concentrated expression of corporate social responsibility in high-energy-consuming industries. As early as more than ten years ago, CSG took the lead in realizing the use of clean energy natural gas in all melting furnace production lines. Compared with other fuels, its combustion calorific value is stable, its carbon emission is relatively low, it is purer, and it does not contain sulphur and other hazardous substances. Using natural gas as heat source for production is more environmentally friendly and helps to improve product quality. At the same time, CSG takes the lead in the industry to realize comprehensive utilization of energy by means of waste heat power generation and distributed photovoltaic power generation. Through comprehensive exhaust gas treatment such as desulfurization, denitrification and dust removal, it achieves ultra-low emission, which is far lower than the national standard pollutant emission permission value. A number of the Group's flat glass subsidiaries have reached the industry energy efficiency benchmark level. In 2021, the Ministry of Industry and Information Technology popularized the practice of Wujiang CSG as the "Energy Efficiency Leader" to the whole flat glass industry. In the era of carbon peaking and carbon neutrality, energy saving and emission reduction, relatively low energy consumption and high energy efficiency will bring higher competitiveness and greater living space to enterprises.

Architectural glass industry

The architectural glass business is to further process the original float glass sheet to manufacture energy-saving building glass products with both safety and aesthetic effects in order to improve the energy-saving and safety performance of buildings, as well as the visual aesthetic effects. Building energy-saving glass has made a significant contribution to energy saving in the process of building use. The penetration rate in developed countries in Europe and the United States has already exceeded 80%, but the overall penetration rate in China is still low. The total number of buildings in China is huge and continues to grow every year. In order to cope with the pressure of global warming, to achieve the goals of "Carbon Peaking in 2030 and Carbon Neutrality in 2060", and to reduce building energy consumption and carbon emissions, it is imperative to reduce the energy consumption and carbon emissions of buildings, to vigorously develop green buildings, and to carry out energy-saving renovation of existing buildings. According to the "Action Plan for Promoting the Establishment of Green Buildings" issued by the Ministry of Housing and Urban-Rural Development and the Ministry of Industry and Information Technology, as well as the national "Action Plan for Carbon Peaking Before 2030", "Comprehensive Work Plan for Energy Conservation and Emission Reduction during the 14th Five-Year Plan" and other guidance documents, 70% of the newly-built urban building should reach green building standards in 2022, and 100% reach the standard in 2025 (about 50% in 2020). It is expected that the architectural glass business will gain significant development opportunities during the "14th Five-Year Plan" period. In addition, with the gradual improvement of domestic social consumption level in recent years, building energy conservation, safety standards and quality requirements have been continuously improved. In practice, the bad practice of winning the bid by the lowest price for construction projects has been initially reversed, and the quality and influence of "Made in China" have been increasingly recognized around the world, which will bring broader development space to advantageous enterprises that attach importance to product quality and technological innovation, as well as stable industrial chain and supply chain.

Electronic glass and display industry

Electronic glass

Electronic glass, with its unique performance advantages such as high transmittance, high strength in ultra-thin state, reliable and stable weather resistance, and processing convenience, is an indispensable material for cover glass and touch control plate of intelligent display interactive application terminals such as smartphones, tablets, and computers. And it is developing rapidly with the intelligent interactive display industry. With the popularization of information and communication technologies such as 5G and the development of the mobile Internet, the production and lifestyle of human society are gradually developing into a new form of high integration of people, machines, things, and information, in which everything is interconnected, driving the demand for intelligent equipment to increase rapidly and significantly. In recent years, in addition to the rapid popularization of mobile Internet terminals such as smartphones, tablets, and computers, the vigorous development of smart homes, smart cars, smart factories, smart business displays, advanced education, medical care, conferences, self-service and other industries has brought about the incremental demand for human-computer interaction equipment, which provides a broader market prospect and market space for the electronic glass industry, and also provides a market opportunity for leapfrogging development to upstream material manufacturers with leading technological innovation capability and benign operation.

Display

CSG has become a brand supplier of electronic application materials in the display touch industry, which can provide customers with all-round one-stop touch screen material solutions. In the future, the Company will continue to optimize the layout in the vehicle field, to further build the high-end manufacturing industry chain of vehicle touch display, aiming at becoming a high-quality component supplier in the field of automotive electronics. With the continuous deepening of the trend of vehicle electrification, intelligence and interconnection, it will promote the iterative upgrade of traditional displays and entertainment systems, and the demand for vehicle displays will be strong. According to statistics from relevant market research institutions, the global automotive display screen output in 2020 was 127 million pieces. The market research institution said that the global automotive display market will continue to grow in the future, with a compound annual growth rate, from 2021 to 2027, reaching 13%. The Company continues to be optimistic about the development prospect of the intelligent vehicle industry. At present, CSG have mastered the production technology of core products such as on-board AG glass, on-board multi-functional 3A cover plate and on-board touch sensor supporting the vehicle central control screen. It has become a high-quality on-board product material supplier in the field of automotive electronics and will have broad market prospects in the future.

Solar energy industry

At present, the new development ideology centred on "Green Development" has gradually become the consensus of all countries in the world. Major economies in the world have successively proposed "carbon neutrality" timetables. China has also made a solemn commitment of "Carbon Peaking in 2030 and Carbon Neutrality in 2060" to the world. The transformation of the global energy structure has begun to accelerate, and photovoltaic energy has become an important engine to undertake energy transformation with its significant advantages such as cleanliness, safety, and economy. Driven by favorable factors such as the continuous decline in the cost of photovoltaic power generation and the global green recovery, the new installed capacity of photovoltaics around the world will continue to grow rapidly, and the solar photovoltaic industry will have huge development potential and industry prospects in the future.

According to the national "Carbon Peaking Action Plan before 2030", the proportion of China's non-fossil energy consumption will reach the target of about 20% by 2025 and about 25% by 2030, corresponding to the domestic average annual new installed capacity demand may exceed 75GW. According to the association's forecast, it is expected that during the "14th Five-Year Plan" period, the average annual installed capacity of photovoltaics in the world will exceed 220GW, and in 2025 the new installed capacity of photovoltaics in the world will exceed 300GW, with a compound annual growth rate of more than 20%. The huge incremental market demand will stimulate and drive the sustained and rapid growth of

all links of the photovoltaic industry. At present, most of the production capacity at the manufacturing end of the global photovoltaic industry chain is controlled by Chinese enterprises.

At present, the solar energy industry has fully entered the era of "grid parity" on the power generation side, and the electricity market continues to force the cost of the photovoltaic industry to decrease. With the rapid development of technology in the photovoltaic industry, equipment and products are constantly upgraded, and the latecomer advantage is obvious and the market competition is fierce. In recent years, the concentration of various links in the industrial chain has accelerated, and capital has been concentrated in enterprises with resource advantages or technological advantages. In order to strengthen the ability to resist risks, leading enterprises have extended their industrial chains upstream and downstream, or formed alliances with enterprises in other links of the industrial chain.

II. Main business of the company during the report period

CSG is a leading domestic brand of energy-saving glass and a renowned brand of solar PV products and display devices. Its products and technologies are very popular at home and abroad. Its main business covers R&D, manufacturing and sales of high quality float glass and architectural glass, photovoltaic glass, silicon material, renewable energy products such as PV battery and modules, and new materials and information display products such as ultra-thin electronic glass and display devices. It also provides one-stop services such as project development, construction, operation and maintenance of solar photovoltaic power plants.

Flat glass business

The flat glass business of CSG includes float glass and photovoltaic glass. The production mode, business strategy, technical requirements and development direction of the two businesses have similarities and considerable differences due to the difference of industrial chain environment, industry development stage and policy environment.

In the field of float glass, CSG has 10 advanced float glass production lines in Dongguan, Chengdu, Langfang, Wujiang and Xianning, and has quartz sand raw material processing and production bases in Jiangyou, Sichuan and Qingyuan, Guangdong. The annual output of various types of high-grade float glass is about 2.47 million tons, covering high-quality float glass and ultra-white float glass with various thicknesses and specifications of 1.3-25mm. The performance indicators of the products have reached the leading domestic level. CSG float glass products are all high-end products that can be directly used for downstream deep processing, and the proportion of differentiated glass products with special specifications and special application scenarios such as ultra-white, ultra-thin, and ultra-thick is large, which are widely used in high-end building curtain walls, decoration and furniture, mirrors, car windshields, scanners and copiers, home appliance panels, display protection and other applications that require high glass quality. CSG has established long-term and stable business cooperation with many well-known processing enterprises.

The profit level of the float glass business is generally positively correlated with the level of real estate completion data, and is also affected by multiple factors such as current energy, raw material prices, product structure, and enterprise management level. Differentiated glass products have relatively high added value due to specific application scenarios, high production process difficulties, stable demand, and relatively proactive pricing by manufacturers. The Company focuses on improving management efficiency, improving the level of lean production of conventional products, firmly implementing the differentiated competition strategy, carefully cultivating and developing differentiated product markets, and continuously increasing the proportion of differentiated product sales, so as to continuously consolidate and enhance the industry competitiveness of the Company's float glass business.

In the first half of 2021, the completion level of the real estate industry accelerated compared to the same period in recent years, the market demand was strong, the supply was tight, and the overall price of float glass was higher than the same period of last year. From the third quarter, the liquidity of real estate enterprises was under pressure, the completion level

dropped, the supply-demand relationship of float glass fell back to a relatively balanced level, while the prices of soda ash and other raw materials rose sharply month on month and year on year, so that the price and profit level of float glass fell. It is expected that the market demand for float glass in 2022 will decline compared with that in 2021. However, under the general atmosphere of "Steady Growth" of the national economy, the supply and demand of the glass market may be in a relatively loose and balanced state, and the demand for high-quality differentiated products will remain stable.

In the field of photovoltaic glass, CSG has taken the lead in entering the field of photovoltaic glass manufacturing in China since 2005. Based on independent research and development, the Company has formed a full closed-loop production capacity from photovoltaic glass original sheet production to deep processing. By the end of 2021, it has two photovoltaic rolled glass original sheet production lines and complementary photovoltaic glass deep processing production lines in Dongguan and Wujiang, with an annual output of about 430,000 tons of photovoltaic rolled glass original sheets and a photovoltaic glass deep processing capacity of 72 million square meters per year, and its products cover deep-processing products with a variety of thicknesses of 2-4mm. The accumulation of more than ten years of photovoltaic glass production experience has enabled CSG to accumulate a solid foundation in key equipment and technologies such as kilns, calendaring, and deep processing. These accumulated technologies and experience have been released in this round of the Company's photovoltaic glass production capacity enhancement.

The Company is firmly optimistic about the long-term development of the photovoltaic new energy industry, seizes the golden opportunity of industrial development, aims at the first echelon of the industry, and makes up for the shortcomings of the Group's photovoltaic glass business production capacity and large-scale layout. The Company is building four photovoltaic glass production lines and complementary processing lines with a daily melting capacity of 1,200 tons in Fengyang and one photovoltaic glass production line and complementary processing line with a daily melting capacity of 1,200 tons in Xianning. At present, the construction of the above projects is progressing in an orderly manner as planned and is expected to be ignited and put into operation in batches from the second quarter of 2022. After all the projects are put into production, the industry status will jump significantly. In addition, with the approval of the Board of Directors, the Company plans to build two photovoltaic glass production lines and complementary processing lines with a daily melting capacity of 1,200 tons in Beihai City, Guangxi. Currently, the preparatory work for the project is being carried out in an orderly manner. At the same time, the Company is still actively seeking to further expand the production capacity of photovoltaic glass in other regions with resource support and industrial chain support. Under the background of carbon peaking and carbon neutrality, the photovoltaic glass business will become the new champion business of CSG.

In 2021, affected by the overseas epidemic and the high price of materials in the upstream of the photovoltaic industry chain, the installed capacity demand was suppressed to a certain extent, and the growth rate was not as expected. Even so, according to relevant statistics, the new global installed capacity in 2021 still reached about 170GW, with a year-on-year increase of more than 30%. It is estimated that in 2022, driven by policies such as the promotion of domestic distributed photovoltaics throughout the county, large-scale wind power photovoltaic bases, and guaranteed photovoltaic grid-connection, as well as the carbon neutrality plans disclosed by countries around the world, the global installed capacity may still maintain a relatively high growth rate. Although the concentrated deployment of photovoltaic glass production capacity in the past two years may lead to a phased mismatch between supply and demand in the market, causing market price fluctuations. With the incremental demand brought about by the continuous increase in global installed capacity and the natural elimination of outdated production capacity by the market, the industry will still return to the track of healthy development. In 2022, the Company will make every effort to promote the project construction, accelerate the technological transformation and upgrading of production lines, improve the production capacity of ultra-thin photovoltaic glass for 1.6-2.5mm double-glass modules and photovoltaic glazed back glass, and consolidate the Company's competitive advantage in the field of ultra-thin photovoltaic glass; and strengthen long-term strategic cooperation with industry-leading companies to further enhance the market competitiveness of CSG's flat glass.

Architectural glass business

CSG is one of the largest suppliers of high-grade engineering and architectural glass in China and it has formed quality, service and continuous research and development capabilities that match the brand. The Company has built six energy-saving glass processing bases in Tianjin, Dongguan, Xianning, Wujiang, Chengdu and Zhaoqing. Up to now, the Company has formed an annual production capacity of over 20 million square meters for coated insulating glass and over 45 million square meters for coated glass. In order to seize the key opportunities for the development of building energy-saving glass and satisfy the people's pursuit of a better life, CSG leverages its brand advantages to take the lead in improving the business layout of architectural glass. At present, the production capacity of Zhaoqing Base and Tianjin Expansion Project is gradually being released, which further strengthens the ability of CSG's architectural glass to meet the needs of the construction of world-class mega-city clusters in the Beijing-Tianjin-Hebei, Yangtze River Delta, and Guangdong-Hong Kong-Macao Greater Bay Area. At the same time, in line with the trend of urban construction extending further inland, the Group's Board of Directors approved the construction of Xi'an Architectural Glass Base, Hefei Energy-saving Glass Intelligent Manufacturing Industry Base and Xianning Architectural Production Line Reconstruction and Expansion Project in 2021. Based on the local market conditions, the Company will arrange first-level or second-level architectural glass processing bases that are suitable for their scale and needs, and continuously improve and strengthen the market competition and service capabilities of CSG's architectural glass business. At present, Wujiang Architectural Glass Smart Factory, Hefei Base and Xianning Architectural Production Line Reconstruction and Expansion Project are being implemented as planned. As the new projects are gradually completed and put into production, the production capacity of CSG's architectural glass will be gradually released, and the market share of the products will be further increased. CSG's architectural glass business adheres to the customized business strategy of trinity of technical service, marketing, R&D and manufacturing, relying on its own manufacturing and R&D strength, as well as the marketing and service network formed by more than 100 domestic and overseas offices, to meet the personalized needs of domestic and foreign customers and construction projects. In 2017, CSG's low-E coated glass was awarded the title of Single Champion Product by the Ministry of Industry and Information Technology, and it passed the review again in 2020, which fully proves the leading position of CSG's architectural glass in the industry. The Company has the world's leading glass deep processing equipment and testing equipment, and its products cover all kinds of architectural and construction glass. The Company's R&D and application of glass coating technology keep space with the world and its technology of high-end product even leads the world. Following the second generation of energy-saving glass products, the Company has successively developed the third generation and multi-function energy-saving glass products with continuous improving energy-saving and heat-preservation effect. All deep processing bases have the production and processing capabilities of triple-silver high-performance energy-saving glass. After years of market testing, due to its high performance and stability, the Company has become a benchmark in the domestic triple-silver product market, and its high-quality energy-saving and environmentally friendly low-E insulating glass continues to lead the domestic high-end market share. The Company has always adhered to the intelligent transformation and digital transformation as the key increment of the development of architectural glass business. It has continuously invested and accumulated rich experience in the research of production automation, intellectualization, information technology and equipment, and the efficiency improvement of intelligent upgrading and transformation of traditional equipment. With technological progress and process optimization, the Company has reduced production manpower consumption, material consumption and energy consumption, actively promoting the Company's transformation and upgrading to achieve intensive manufacturing and high-quality development.

The Company's quality management system for engineering and architectural glass has been respectively approved by organizations of UK AOQC and Australia QAS. The product quality which meets the national standards of the US, the UK and Australia enables CSG has an advantage in the international tendering and bidding. Since 1988, CSG's engineers and technicians have been continuously participating in the formulation and compilation of various national standards

and industry standards. All kinds of high-quality engineering architectural glass provided by the Company are widely used in landmark buildings such as major city CBDs and transportation hubs at home and abroad, which are too numerous to mention. The 2022 Beijing Winter Olympics, which has attracted worldwide attention, has just accomplished successfully. The keynote of this Winter Olympics is "Green Winter Olympics". CSG's Glass is honored to be selected for the construction of quite a few related venues for the Beijing Winter Olympics with its safety, energy saving and high-end quality, including National Speed Skating Hall, National Ski Jumping Center, Shougang Ski Jumping Platform, Beijing Olympic Village and many other representative projects. CSG's products are once again stunningly displayed in front of the world, with the projects using CSG's products appeared frequently in the past, such as Capital International Airport, Daxing International Airport, National Convention Center, as well as the projects in Capital CBD Area, which contributed a unique and beautiful landscape to the wonderful and extraordinary Olympic Games.

Electronic glass and display business

Electronic glass

After ten years of hard work, CSG's electronic glass business has always focused on increasing investment in R&D, breaking through high-end market barriers with independent intellectual property rights and independent innovation, and firmly following the development route of product upgrades and iterations to accelerate import substitution, and it has become another champion business of CSG. In 2021, the Company's electronic glass business continues to develop. Its four subsidiaries, Hebei Panel, Yichang Photoelectric, Qingyuan New Energy-Saving Materials and Xianning Photoelectric continued to actively implement product upgrading and market upgrading in the application fields of intelligent electronic terminals, touch components, vehicle mounted display, industrial control and commercial display, safe-guard facility and smart home, so that the market share and brand influence of the Company's medium-alumina and high-alumina electronic glass products could improve greatly. Rich product structure, reliable delivery guarantee and strong technical innovation help the Company's electronic glass business maintain its dominant position in the fierce market competition. In 2021, the Company's high-alumina second-generation (KK6) lithium-aluminosilicate electronic glass products are widely used by domestic high-end brand customers, which marks that CSG's electronic glass business has successfully opened up the domestic high-end customer market. At the same time, the Company continued to promote technological breakthroughs in product upgrading. During the year, the second-generation high-alumina upgraded product of Xianning Photoelectric, KK6-P, was successfully industrialized. The technical performance of the product such as light transmittance, anti-drop and scratch resistance after strengthening was further improved. The third generation of high-alumina products of the Company has been verified, and the sustainable iterative renewal ability of electronic glass has been fully recognized by the market and customers. In addition, Qingyuan CSG Phase II "One Kiln and Two Lines" project, which was put into commercial operation at the end of 2020, is in good operation, effectively enhancing the overall profitability of electronic glass, and further consolidating and strengthening CSG's competitive advantage in the field of domestic electronic glass.

In March 2021, in order to strengthen the Company's high-end market competitiveness in the field of ultra-thin electronic glass for touch applications, the Company's Board of Directors approved Hebei Panel to invest in a new ultra-thin electronic glass production line and complementary R&D center with a daily melting capacity of 110 tons. In December 2021, the Company's Board of Directors approved the upgrade and renovation project of Qingyuan CSG Phase I. At present, the project construction is progressing smoothly as planned. After the completion of the above-mentioned projects, CSG Electronic Glass will achieve comprehensive coverage of electronic glass products from the third generation of high-alumina to medium-alumina, soda-calcium, and from high to middle and low-end electronic glass products, forming a more solid foundation for market competition. CSG has long been committed to becoming the industry's leading electronic glass material solution provider, and it will continue to develop glass-based protective materials with higher strength and competitiveness in the field of touch display, develop human-computer interaction interface materials

meeting the requirements of material interconnection in the fields of smart home, vehicle display and advanced medical, and develop revolutionary alternative materials in the fields of transportation and security.

Display

In the field of touch display, CSG has formed a complete touch industry chain from vacuum magnetron sputtering coating, fine pattern lithography processing, to touch display modules. Its main business includes ITO conductive glass, ITO conductive film, automotive TP-Sensor and automotive cover. Among them, ITO conductive glass and ITO conductive film, as the traditional business of the Company, are positioned at the middle and high-end customers at home and abroad, and in 2021 ITO glass market had adequate orders, and production and sales volume reached a record high. The Company's key products such as vehicle-mounted AG glass, vehicle-mounted multi-functional composite cover, vehicle-mounted TP-Sensor and other core products have successfully entered the market and become the Company's new performance growth point.

Solar energy and other industries

CSG is one of enterprises which firstly enter the field of photovoltaic product manufacturing in China. After more than ten years of construction, operation and technological upgrading, CSG has built an industry chain in the field, covering high-purity polycrystalline silicon materials, high-efficiency silicon wafer, silicon solar cell and modules, and the design and construction of solar photovoltaic power plants. The business structure of the whole industry chain enables the Company to have a certain ability to resist risks, be sensitive to the industry, and be able to identify and respond to subtle changes in the industry in a timely manner, but it also increases the Company's burden of product R&D, and equipment and technology upgrading. Therefore, in recent years, the Company has reviewed and adjusted the solar business structure on the basis of objectively analyzing the advantages and disadvantages of its own industry, taking into account the market environment, industry development trends and the Group's overall industrial development plan, actively eliminating outdated equipment and production capacity, and opening up cooperation and integrating resources of all parties to promote the overall breakthrough of the solar energy business. To this end, while eliminating the invalid assets of Yichang CSG and Dongguan photovoltaic enterprises and reducing the burden of enterprise operation, the Company firmly promoted the implementation of technical transformation and resumption of production of polysilicon production line, revitalized the effective assets, seized the favorable opportunity of insufficient structural supply of polysilicon in the industry, and used its own advantages to consolidate and strengthen the strategic cooperation with downstream business partners of the industrial chain. Considering the practical needs of matching the development of the Group's photovoltaic glass business, driving the growth of the manufacturing end and the accumulation of the Group's own carbon emission quota, the Company also plans to moderately increase investment in photovoltaic power station projects. The above adjustments have been gradually implemented. In 2021, the Group made a provision for asset impairment of about 700 million yuan for assets of solar energy business. With the smooth resumption of polysilicon production in the first quarter of 2022, the Company's current solar business capacity is 10,000 tons/year of high-purity polysilicon, 2.2 GW/year of silicon wafer, 0.6 GW/year of battery wafer, 0.6GW/year of module and 132 MW of photovoltaic power station.

III. Core Competitiveness Analysis

CSG, one of the most competitive and influential large-scale enterprises in China's glass industry, is committed to the development of energy conservation renewable, and new material industry. After more than 30 years of development and accumulation, the Company has gradually formed a comprehensive competitive advantage in terms of products and brands, technology research and development, industrial chain and layout, talent team, and green development.

1. Product and brand advantages

"CSG" is a famous brand of domestic energy-saving glass, ultra-thin electronic glass, display and solar photovoltaic products. Its products and technology are well-known at home and abroad. The trademarks "南玻" and "SG" held by the Company are both "Famous Trademark of China". The Company has been listed in the "Top 50 Building Materials Enterprises in China", "Top 100 Industry Leaders in Shenzhen" and "Preferred Brand of Architectural Glass" in Door and Window Curtain Wall Industry for many years. In 2018, "CSG" brand was recognized by the United Nations Industrial Development Organization as the fourth batch of "International Reputation Brand". CSG's low-E coated glass and ultra-thin electronic glass were awarded the title of Single Champion Product by the Ministry of Industry and Information Technology, and it is the only manufacturer in the domestic glass industry that has two single champion products at the same time.

2. Technology research and development advantage

The Company has always attached importance to technology research and development since its establishment, and has taken independent R&D as its foundation by which leading the development of China's glass industry. As of December 31, 2021, the Company has a total of 18 high-tech enterprises, 2 national manufacturing single champion products, 1 national engineering laboratory, 1 national enterprise technology center, 3 national intellectual property advantage enterprises, 5 national-level specialized and sophisticated "Little Giant" enterprises, 2 provincial-level academician workstations, 10 provincial-level enterprise technology centers, 5 provincial-level engineering technology research centers, 4 provincial-level intellectual property demonstration construction enterprises, 2 provincial-level specialized and sophisticated small and medium-sized enterprises, 5 provincial-level science and technology little giants; 1 Shenzhen engineering laboratory, 1 municipal post-doctoral innovation practice base, 7 government quality awards; 5 provincial scientific and technological progress awards, 2 provincial patent awards, and a number of association honorary awards. By the end of 2021, the Company had applied for a total of 2,242 patents, including 922 inventions, 1,313 utility model patents, and 7 designs. The Company had been accumulatively authorized 1,624, including 304 inventions, 1,313 utility models, and 7 designs.

3. Industrial chain and layout advantages

The Company has three complete industrial chains of energy-saving glass, electronic glass and display, and solar photovoltaic. With the continuous improvement of the technological level of each link of the industrial chain, the industrial advantage is obvious. At the same time, the Company possesses a complete industry layout. The six major production bases are located in the Yangtze River Delta in East China, the Pearl River Delta in South China, the Chengdu-Chongqing region in Southwest China, Beijing-Tianjin-Hebei region in North China, and the Hubei region in Central China.

4. Talent team advantage

The advantage of the Company's talent team is mainly reflected in two aspects: On the one hand, the Company has established a strong R&D team and R&D system. Through the construction of the core technical team, continuous R&D investment, and abundant technical reserves, it has built up important technological innovation support for the Company's strategy. Meanwhile, it establishes Industry-University-Research cooperation, actively cooperating with domestic colleges and universities which are in advantage in silicate materials industry, to accelerate the transformation of scientific research results, and to strengthen basic research; on the other hand, an excellent and stable management team is one of the most fundamental guarantees for the Company's rapid and stable development. The Company has formed a good echelon training mechanism for professional managers. At present, the Company's senior management team has

comparative advantages in terms of academic background, professional qualities, knowledge reserves, management concepts and experience.

5. Green development advantage

The Company prospectively chooses the enterprise development path of environmental protection and green development. Environmental protection is the lifeline of the survival and development of glass enterprises and the concentrated embodiment of corporate social responsibility in high energy consuming industries. As early as more than ten years ago, CSG took the lead in the industry to use natural gas in all furnace production lines, and at the same time took the lead in the industry to adopt waste heat power generation, distributed photovoltaic power generation and other methods to achieve comprehensive energy utilization, and adopt comprehensive exhaust gas treatment such as desulfurization, denitration and dust removal to achieve ultra-low emission, which is far lower than the national standard pollutant emission permission value. Promoted by the goal of "Carbon Peaking and Carbon Neutrality" and the continuous tightening of environmental protection policies, the Company, as a pioneer in the green development of the industry, has won a broad development space for itself.

IV. Main business analysis

1. Overview

In 2021, the global COVID-19 epidemic and its influence continued, the world economic recovery was underpowered, the commodity prices fluctuated, the external environment became more complex, severe and uncertain. Facing the complex and severe domestic and international situation as well as many risks and challenges, the Party and the Government coordinated the epidemic prevention and control, together with economic and social development. With the joint efforts of the people of the whole country, the domestic production and living order has been rapidly restored, and the economic recovery trend has continued to improve. The country has won the battle against poverty and built a moderately prosperous society in all respects as scheduled, and the "14th Five-Year Plan" has made a smooth start.

According to the data released by the National Bureau of statistics, in 2021, China's national economy made steady progress. The GDP of the whole year was 114.37 trillion yuan, with a year-on-year increase of 8.1%, the investment in fixed assets (excluding farmers) was 54.45 trillion yuan, with a year-on-year increase of 4.9%, the investment in real estate development was 14.76 trillion yuan, with a year-on-year increase of 4.4%, and the completed area of houses was 1.014 billion square meters, with a year-on-year increase of 11.2%.

"GLASS FOR WORLD, CSG FROM CHINA", facing the severe economic environment, competitive pressure and the challenges of the epidemic, CSG, under the correct leadership of the Board of Directors, takes the world-class enterprise as the goal, firmly takes the road of high-quality development, comprehensively improves the level of lean production, actively promotes project construction, improves industrial layout, tamps resource reserves, continuously promotes differentiated operation, improves the level of intelligent manufacturing, and strengthens its core competitiveness from both connotation and extension. The Group's annual operating performance has achieved a significant year-on-year increase. During the report period, the Company achieved operating revenue of 13.629 billion yuan, a year-on-year increase of 27.72%; based on the principle of prudent and stable operation, the Company accrued about RMB 1.136 billion for asset impairment during the report period. After asset impairment, the Company still achieved a net profit of RMB 1.561 billion in 2021, with a year-on-year increase of 92.28%; the net profit attributable to shareholders of listed companies was 1.529 billion yuan, a year-on-year increase of 96.24%.

I. Operation of each industry of the Group

In recent years, CSG has made a forward-looking layout, firmly promoted the adjustment of business structure in the process of development, strengthened the competitive advantage of traditional energy-saving building materials, and accelerated the development of new energy and new material industries. In 2021, the Company's main business of four types of glass achieved a total operating revenue of 12.745 billion yuan and a net profit of 2.554 billion yuan, of which float glass business and electronic glass business both achieved the best performance in history, and the construction of photovoltaic glass and engineering glass projects was smoothly promoted. In the future, the effect of the Group's business structure adjustment will gradually appear.

Float Glass focusing on the new demands brought about by the continuous improvement of building energy conservation, visual effects and safety, the Company lays out arrangements ahead of schedule and firmly follows the route of high-end differentiated products: sales of ultra-white glass further increase, and the high-end series of CSG ultra-white "Blue Diamond" are created and the brand become a leader in subdivision of the industry; the proportion of high value-added differentiated products continues to increase, and the market share in the segment of high-grade float glass continues to lead; coordinates and organizes strategic reserve procurement of bulk raw materials to effectively hedge against rising procurement costs; establishes a mineral resources management center to comprehensively implement the strategic task of expanding mineral resources reserves; strengthens the lean control of the entire production process, and the yield continues to rise steadily. In 2021, compared with the same period last year, the revenue of float glass business increased by 47% and the net profit increased by 170%.

Photovoltaic glass continues to lead the industry in production capacity, quality and comprehensive manufacturing yield of ultra-thin photovoltaic glass products below 2mm. In 2021, due to factors such as the weaker-than-expected growth of photovoltaic installed capacity and the successive launch of new photovoltaic glass production capacity, the average price of photovoltaic glass fell year-on-year. Compared with the same period last year, the revenue of photovoltaic glass business was steady, and the net profit dropped by 38%. However, the Company is firmly optimistic about the long-term development of the photovoltaic new energy industry, and accelerates the construction of photovoltaic glass projects in Fengyang and Xianning. It is expected to be put into operation in batches from the second quarter of 2022. At the same time, it pays close attention to the transformation and upgrading of Dongguan photovoltaic glass production line to make it adapt to the future industrial technology development and product competition. After all the projects under construction are put into production, the Company's annual production capacity of photovoltaic glass will sharply increase, breaking into the top tier. In order to adapt to changes in business scale, to integrate resources and improve efficiency, it establishes of a photovoltaic glass marketing center, which is responsible for the Group's photovoltaic glass marketing. The photovoltaic glass business is gradually developing into the new champion business of CSG.

Architectural glass is the golden brand of CSG, and it has formed quality, service and continuous research and development capabilities that match the brand. Focusing on the Country's improvement of building energy-saving standards and high-rise building safety standards, it strengthens brand building and adheres to the customized business strategy of trinity of technical service, marketing and R&D and manufacturing, to meet the personalized needs of domestic and foreign customers and construction projects. As the Company's architectural glass business mainly adopts a customized business strategy, there is a certain time lag between the order and the actual production and delivery of products, and there is a certain delay in the transmission of changes in procurement costs to the downstream due to the constraints of the agreement. Therefore, the sudden sharp fluctuation of the price of the original float glass during the period will have a certain impact on the cost and profit of the actual delivery of existing orders. In the first half of 2021, the price of the original float glass sheet rose rapidly and remained high, while the acceleration of the completion of downstream enterprises exacerbated the tension of product delivery, and the profit of architectural glass decreased significantly year-on-year. In the second half of the year, the original float glass sheet price fell, the newly signed orders were started and implemented one after another, and the performance of architectural glass business gradually returned to the normal level. By refining the market layout, strengthening risk control and continuously strengthening the signing

of high-quality projects, the Company's architectural glass business revenue increased by 24% year-on-year. Affected by the sharp year-on-year rise of comprehensive costs such as float glass in the report period and the commercial acceptance bills issued by Evergrande and its subsidiaries were expected to be difficult to be cashed in the near future for which the provision was made for bad debts of about 103 million yuan, and the profit dropped by 76% year-on-year. At present, through continuous "Cost Reduction and Efficiency Increase" and sales policy adjustment, and taking advantage of the Group's industrial chain to adopt a flexible raw material inventory reserve strategy, it is expected that the impact of fluctuations in raw material prices will be further reduced in the future, and revenue and profit will maintain a steady growth trend. At the same time, the Company focuses on the future, seizes the historic opportunity of speeding up green building construction, accelerates the construction of new bases, improves the automation and informatization level of production lines, continuously improves equipment production efficiency, and takes the lead in future industry competition. At present, Zhaoqing Base and Tianjin Expansion Project production capacity is gradually being released. Wujiang Architectural Glass Intelligent Factory, Hefei Energy-saving Glass Intelligent Manufacturing Industry Base and Xianning Architectural Production Line Reconstruction and Expansion Project are being implemented as planned, expected to be basically completed in 2022, and the construction of Xi'an Base project is expected to start within this year. With the gradual completion and launch of new production capacity, the product service capability and market share will continue to increase, and the golden signboard of CSG architectural glass will become brighter and brighter.

Electronic glass and display business focusing on increasing R&D investment, the Company breaks through high-end market barriers with independent intellectual property rights and independent innovation, and firmly takes the development route of product upgrading and iteration to accelerate import substitution. Electronic glass has become another champion business of CSG. In 2021, the Company's high-alumina second-generation (KK6) lithium-aluminosilicate electronic glass products were widely used by domestic high-end brand customers, which marked that CSG's electronic glass business had successfully opened up the domestic high-end customer market. At the same time, the Company continued to promote technological breakthroughs in product upgrading. During the year, the second-generation high-alumina upgraded product of Xianning Photoelectric, KK6-P, was successfully industrialized. The technical performance of the product such as light transmittance, anti-drop and scratch resistance after strengthening was further improved. The third generation of high-alumina products of the Company have been verified, and the sustainable iterative renewal ability of electronic glass has been fully recognized by the market and customers. In addition, Qingyuan CSG Phase II "One Kiln and Two Lines" project, which was put into commercial operation at the end of 2020, is in good operation, effectively enhancing the overall profitability of electronic glass, and further consolidating and strengthening CSG's competitive advantage in the field of domestic electronic glass.

In March 2021, in order to strengthen the Company's high-end market competitiveness in the field of ultra-thin electronic glass for touch applications, the Company's Board of Directors approved Hebei Panel to invest in a new ultra-thin electronic glass production line and supporting R&D center with a daily melting capacity of 110 tons. At present, the project construction is progressing smoothly as planned. In December 2021, the Company's Board of Directors approved the upgrade and renovation project of Qingyuan CSG Phase I. After the completion of the above two projects, CSG's electronic glass will achieve comprehensive coverage of electronic glass products from the third generation of high-alumina to medium-alumina, soda-calcium, and from high to middle and low-end electronic glass products, forming a more solid foundation for market competition.

Relying on the smooth advancement of new product market development and the contribution of new production lines, Electronic Glass and Display Business has achieved rapid year-on-year growth in operating income and profit. During the period of technical renovation of Qingyuan CSG Phase I, an impairment of 175 million yuan was accrued for the equipment and devices of the original production lines which could not meet the needs of new projects. In 2021, Electronic Glass and Display Business realized an operating income of 1.898 billion yuan, a year-on-year increase of 75%, and a profit of 236 million yuan after impairment was accrued, a year-on-year increase of 46%.

Solar energy and other businesses

In recent years, the Company has reviewed and adjusted the solar business structure on the basis of objectively analyzing the advantages and disadvantages of its own industry, taking into account the market environment, industry development trends and the Group's overall industrial development plan, actively eliminating outdated equipment and production capacity, and opening up cooperation and integrating resources of all parties to promote the overall breakthrough of the solar energy business. In order to implement the above adjustments, the Company carefully and steadily combed the assets of Yichang CSG and Dongguan Photovoltaic, took into account of the macro background of industry development, technological development trend and market changes, and made provision for impairment of assets eliminated by technological transformation, backward technology and high energy consumption, so as to reduce the burden of enterprise operation. At the same time, the Company firmly promoted the technological transformation and upgrading of Yichang CSG's polysilicon production line which successfully resumed in the first quarter of 2022; promoted the construction of 500MW high-power, large-scale module production line of Dongguan Photovoltaic, which is being implemented as planned and is expected to be transferred to commercial operation in the second quarter of 2022.

The Company's current solar business capacity includes 10,000 tons/year of high-purity polysilicon, 2.2 GW/year of silicon wafer, 0.6 GW/year of battery wafer, 0.6GW/year of module and 132 MW of photovoltaic power station. During the report period, the total operating income of the Company's solar energy and other businesses was 1.079 billion yuan. The Company made a provision for impairment of nearly 700 million yuan in the current period. After the impairment, the net profit of solar energy and other businesses was -672 million yuan.

II. Other management work

New stage, new starting point, new mission and new journey, 2021 was the landing year for the Company to comprehensively promote strategic development, and a "New CSG" was being built from two aspects, the scale expansion and the industrial upgrading. In order to ensure the rapid and healthy development of the industries of the Group, the Company made every effort to ensure epidemic prevention and control, as well as production safety, continued to promote differentiated operation, continuously improved the level of intelligent manufacturing, seized market opportunities and took multiple measures, mainly as follows:

1. Under the dual cycle of "Internal Improvement and External Expansion", the Company improved the system, consolidated the foundation, effectively supported the operation, strengthened management and improved efficiency; strengthened mutual cooperation among teams to improve the efficiency of service, supervision and decision-making; continued to promote basic standardized management and built five-star factories; strengthened the recognition and rectification of potential safety and environmental protection hazards; continuously publicized and implemented the internal audit standards and monitored the risk prevention of investment projects.
2. The Company paid full attention to the development opportunities and challenges brought about by digital transformation, built an information construction platform, made use of a large number of data resources accumulated in various links of production and operation such as procurement, R&D, production, sales and service, gave full play to the data value, promoted the integration of manufacturing industry with digitization and intelligence to realize lean management, intelligent production and differentiated services for the enterprise.
3. The iterative ability of technology, technology and product R&D is the key guarantee for sustainable and healthy development of enterprises, and the core element of CSG for forming high value-added business line barriers, keeping the industry leading status continuously, and realizing the core element of "we have while others don't; when they have, ours are better, even if theirs are better, ours are much stronger". In 2021, the Company adhered to the innovation of R&D system, paid attention to the breakthrough and industrialization of key technologies, and solidly promoted the formulation and implementation of the Company's innovation roadmap based on the principle of "unifying independent innovation

and open innovation, combining centralized research and collaborative development, and achieving both development speed and development quality". After summarizing the development experience over the years and gathering the opinions of all parties, the Company made a comprehensive layout from six levels: the organizational structure of R&D system, intellectual property rights, product top-level design, high-level R&D platform, senior talent echelon and talent resource supporting demand, and formulated the Group's R&D strategic plan to provide strategic direction for the Company's technological innovation and sustainable development of product R&D.

At the same time for integrating resources, the Company actively cooperated with The Chinese University of Hong Kong, South China University of Technology, Beijing University of Technology, Wuhan University of Technology, Yanshan University, Pengcheng Laboratory, Shenzhen University, Guangdong New Materials Research Institute and other domestic advantageous institutions and enterprises to establish in-depth cooperation among industry, university and research, accelerated the transformation of scientific research achievements, and further improved the enthusiasm of independent research and development and the technological innovation ability of the enterprise. In 2021, the number of patent applications and authorizations of the Company continued to reach a record high, with a total of 344 patent applications submitted (a year-on-year increase of 1.2%), including 159 invention patents (a year-on-year increase of 8.9%); 230 new patents were granted, of which new 47 invention patents were authorized (3 PCT patents) (a year-on-year increase of 56.67%), and the contribution of research and development to the operating efficiency of the enterprise continued to improve.

4. Environmental protection is the lifeline for the survival and development of glass companies, and it is a concentrated expression of corporate social responsibility in high-energy-consuming industries. The Company's energy consumption control and emission control have always been at the leading level in the industry. CSG takes the lead in the industry to realize comprehensive utilization of energy by means of waste heat power generation and distributed photovoltaic power generation. Through comprehensive exhaust gas treatment such as desulfurization, denitrification and dust removal, it achieves ultra-low emission, which is far lower than the national pollutant emission permission value. Under the condition of the same tonnage and the same kiln age, the control of energy consumption and the control of emission per unit of production capacity have always been at the leading level in the industry. Five subsidiaries of CSG, including Xianning CSG Energy-Saving Glass Co., Ltd., Xianning CSG Photoelectric Glass Co., Ltd., Wujiang CSG Glass Co., Ltd., Tianjin CSG Energy-Saving Glass Co., Ltd. and Xianning CSG Glass Co., Ltd., were successively shortlisted as "Green Factory" announced by the Ministry of Industry and Information Technology. In 2021, the Ministry of Industry and Information Technology promoted practice of Wujiang CSG as the "Energy Efficiency Leader" to the whole flat glass industry.

5. Further improved the organizational system to ensure the implementation of strategic projects. Firstly, setting up a mineral resources management center; the Company set up a special institution organizing a professional team to put special efforts on acquiring relevant raw mineral resources, and consolidating strategic resource reserves and supply chain guarantees. Secondly, setting up a photovoltaic glass marketing center; with the intensive release of the photovoltaic glass production capacity of CSG in recent years, the Group laid out in advance, set up a professional, efficient and centralized organization responsible for the photovoltaic glass marketing business, so as to provide a strong guarantee for the promotion of photovoltaic glass business.

2. Revenue and cost

(1) Constitution of operation revenue

Unit: RMB

	2021		2020		Increase/decrease y-o-y
	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue	

Total of operating income	13,629,033,650	100%	10,671,253,445	100%	27.72%
According to industry					
Glass industry	11,069,964,819	81.23%	8,709,771,261	81.62%	27.10%
Electronic glass & Display industry	1,898,164,504	13.93%	1,087,361,814	10.19%	74.57%
Solar energy and other industries	1,078,577,264	7.91%	988,782,926	9.27%	9.08%
Undistributed	294,865,012	2.16%	217,971,560	2.04%	35.28%
Amount of unutilized	-712,537,949	-5.23%	-332,634,116	-3.12%	114.21%
According to product					
Glass products	11,069,964,819	81.23%	8,709,771,261	81.62%	27.10%
Electronic glass & Display products	1,898,164,504	13.93%	1,087,361,814	10.19%	74.57%
Solar energy and other products	1,078,577,264	7.91%	988,782,926	9.27%	9.08%
Undistributed	294,865,012	2.16%	217,971,560	2.04%	35.28%
Amount of unutilized	-712,537,949	-5.23%	-332,634,116	-3.12%	114.21%
According to region					
Mainland China	12,355,492,022	90.66%	9,538,506,225	89.39%	29.53%
Overseas	1,273,541,628	9.34%	1,132,747,220	10.61%	12.43%
According to sales model					
Direct sales	13,629,033,650	100%	10,671,253,445	100%	27.72%

(2) List of the industries, products, regions or sales model exceed 10% of the operating income or operating profits of the Company

√Applicable □ Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industry						
Glass industry	11,069,964,819	7,068,343,647	36.15%	27.10%	18.24%	4.78%
Electronic glass & Display industry	1,898,164,504	1,232,365,490	35.08%	74.57%	63.09%	4.57%
Solar energy and other industries	1,078,577,264	966,752,454	10.37%	9.08%	16.27%	-5.54%
According to product						
Glass products	11,069,964,819	7,068,343,647	36.15%	27.10%	18.24%	4.78%
Electronic glass & Display products	1,898,164,504	1,232,365,490	35.08%	74.57%	63.09%	4.57%
Solar energy and other products	1,078,577,264	966,752,454	10.37%	9.08%	16.27%	-5.54%
According to region						
Mainland China	12,355,492,022	7,913,435,191	35.95%	29.53%	18.98%	5.68%
According to sales model						
Direct sales	13,629,033,650	8,849,488,093	35.07%	27.72%	18.87%	4.83%

Under the circumstances that the statistical standards for the Company's main business data adjusted in the report period, the Company's main business data in the recent year is calculated based on adjusted statistical standards at the end of the report period

Applicable Not applicable

(3) Whether the Company's goods selling revenue higher than the service revenue

Whether the Company's goods selling revenue higher than the service revenue

Yes No

Industry	Item	Unit	2021	2020	Increase/decrease y-o-y (%)
Flat glass	Sales volume	10,000-ton	295	299	-1.34%
	Output	10,000-ton	299	296	1.01%
	Inventory	10,000-ton	11	6	83.33%
Architectural glass	Sales volume	10,000-M ²	3,950	3,441	14.79%
	Output	10,000-M ²	3,946	3,445	14.54%
	Inventory	10,000-M ²	114	118	-3.39%
Electronic glass	Sales volume	ton	273,195	57,651	373.88%
	Output	ton	271,871	49,405	450.29%
	Inventory	ton	18,166	9,232	96.77%
Silicon wafer	Sales volume	10,000-piece	24,712	15,497	59.46%
	Output	10,000-piece	24,316	15,353	58.38%
	Inventory	10,000-piece	424	386	9.84%
Solar cell	Sales volume	MW	422	457	-7.66%
	Output	MW	457	429	6.53%
	Inventory	MW	15	6	150.00%

Reasons for y-o-y relevant data with over 30% changes

Applicable Not applicable

1. Flat glass: The increase in inventory was mainly due to changes in the pace of production and sales.
2. Electronic glass: The increase in output, sales volume and inventory was mainly due to the increase in production capacity.
3. Silicon wafer: The increase in output and sales volume was mainly due to the increase in business volume based on changes in market demand.
4. Solar cell: The increase in inventory was mainly due to changes in the pace of production and sales.

(4) Fulfillment of significant sales contracts, procurement contracts signed by the company up to the report period

Applicable Not applicable

Fulfillment of significant sales contract signed by the company up to the report period

Applicable Not applicable

Unit: RMB 0,000

Subject matter	Name of the other party	Total contract amount	Total amount fulfilled	Amount performed during the report period	Amount to be performed	Normally performed or not	Description of the contract not being performed normally

Photovoltaic glass	LONGi Solar Technology Ltd., Zhejiang LONGi Solar Technology Ltd., Taizhou LONGi Solar Technology Ltd., Yinchuan LONGi Solar Technology Ltd., Chuzhou LONGi Solar Technology Ltd., Datong LONGi Solar Technology Ltd., LONGi (H.K.) Trading Limited, LONGi (KUCHING) SDN. BHD., Xianyang LONGi Solar Technology Ltd., Jiangsu LONGi Solar Technology Ltd., Jiaxing LONGi Solar Technology Ltd., Xi'an LONGi Green Building Technology Ltd.	RMB 6,500 million (tax included)	45,089	29,906	604,911	Yes	Not applicable
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Fulfillment of significant sales contracts, procurement contracts signed by the company up to the report period

Applicable Not applicable

(5) Constitution of operation cost

Industry and product classification

Unit: RMB

Industry	Item	2021		2020		Increase/decrease y-o-y
		Amount	Ratio in operating costs	Amount	Ratio in operating costs	
Glass industry	Materials, Labor wages, Costs	7,068,343,647	79.87%	5,977,946,913	80.30%	18.24%
Electronic glass & Display industry	Materials, Labor wages, Costs	1,232,365,490	13.93%	755,633,963	10.15%	63.09%
Solar energy and other industries	Materials, Labor wages, Costs	966,752,454	10.92%	831,458,581	11.17%	16.27%
undistributed	Materials, Labor wages, Costs	294,564,450	3.33%	212,060,390	2.85%	38.91%
Inter-segment elimination	Materials, Labor wages, Costs	-712,537,949	-8.05%	-332,634,116	-4.47%	114.21%

Unit: RMB

Industry	Item	2021		2020		Increase/decrease y-o-y
		Amount	Ratio in operating costs	Amount	Ratio in operating costs	
Glass products	Materials, Labor wages, Costs	7,068,343,647	79.87%	5,977,946,913	80.30%	18.24%
Electronic glass & Display industry	Materials, Labor wages, Costs	1,232,365,490	13.93%	755,633,963	10.15%	63.09%
Solar energy and other industries	Materials, Labor wages, Costs	966,752,454	10.92%	831,458,581	11.17%	16.27%

undistributed	Materials, Labor wages, Costs	294,564,450	3.33%	212,060,390	2.85%	38.91%
Inter-segment elimination	Materials, Labor wages, Costs	-712,537,949	-8.05%	-332,634,116	-4.47%	114.21%

Note: The main components of operating costs include materials, labor, depreciation, etc. In order to avoid the disclosure of business secrets and damage the interests of the listed company and investors, the operating costs are only separated and disclosed according to the business sector and product classification of the Company.

(6) Whether the consolidated scope changed during the report period

Yes No

On 19 April 2021, the Group set up a subsidiary, Xi'an CSG Energy Saving Glass Technology Co., Ltd. (referred to as "Xi'an Energy Saving Company"). As of 31 December 2021, the Group had invested RMB 1,000,000. The Group owns 100% of its equity.

On 25 June 2021, the Group set up a subsidiary, Anhui CSG Silicon Valley Mingdu Mining Development Co., Ltd. (referred to as "Anhui Silicon Valley Mingdu Mining Company"). As of 31 December 2021, the Group had invested RMB 3,000,000. The Group owns 60% of its equity.

On 9 October 2021, the Group set up a subsidiary, Guangxi CSG New Energy Materials Technology Co., Ltd. (referred to as "Guangxi New Energy Materials Company"). As of 31 December 2021, the Group had invested RMB 31,000,000. The Group owns 100% of its equity.

On 4 November 2021, the Group set up a subsidiary, Qinghai CSG Sunrise New Energy Technology Co., Ltd. (referred to as "Qinghai CSG New Energy"). As of 31 December 2021, the Group had not invested yet. The Group owns 100% of its equity.

On 8 December 2021, the Group set up a subsidiary, Hefei CSG Energy Saving Material Intelligent Manufacturing Co., Ltd. (referred to as "Hefei Energy Saving Company"). As of 31 December 2021, the Group had not invested yet. The Group owns 100% of its equity.

On 9 December 2021, the Group set up a subsidiary, Shenzhen CSG New Energy Industry Development Co., Ltd. (referred to as "Shenzhen CSG New Energy"). As of 31 December 2021, the Group had not invested yet. The Group owns 100% of its equity.

On 13 December 2021, the Group set up a subsidiary, Zhaoqing CSG New Energy Technology Co., Ltd. (referred to as "Zhaoqing CSG New Energy"). As of 31 December 2021, the Group had not invested yet. The Group owns 100% of its equity.

(7) Major changes or adjustment in business, product or service of the Company in the report period

Applicable Not applicable

(8) Major customers and major suppliers

Major customers of the Company

Total sales to the top five customers (RMB)	1,190,228,183
Proportion in total annual sales volume for top five customers	8.73%
Proportion of related party sales in total annual sales volume for top five customers	0.00%

Information of the top five customers of the Company

Serial	Name of customer	Sales volume (RMB)	Proportion in total annual sales
1	Customer A	343,603,866	2.52%
2	Customer B	271,432,779	1.99%
3	Customer C	250,345,033	1.84%
4	Customer D	186,722,964	1.37%
5	Customer E	138,123,541	1.01%
Total		1,190,228,183	8.73%

Other statement of main customers

Applicable Not applicable

Major suppliers of the Company

Total purchase amount from the top five suppliers (RMB)	1,922,448,668
Proportion in total annual purchase amount from the top five suppliers	19.17%
Proportion of related party sales in total purchase amount from the top five suppliers	0.00%

Information of the top five suppliers of the Company

Serial	Name of supplier	Purchase amount (RMB)	Proportion in total annual purchase
1	Supplier A	529,470,817	5.28%
2	Supplier B	459,475,449	4.58%
3	Supplier C	408,976,617	4.08%
4	Supplier D	272,345,182	2.72%
5	Supplier E	252,180,603	2.51%
Total		1,922,448,668	19.17%

Other statement of major suppliers

Applicable Not applicable

3. Expenses

Unit: RMB

	2021	2020	Increase/decrease y-o-y	Note of major changes
Sales expense	270,695,433	233,918,938	15.72%	
Management expense	752,605,507	666,976,561	12.84%	
Financial expense	151,182,191	224,011,920	-32.51%	Mainly due to the reduction of interest costs.
R&D expenses	511,738,848	404,842,498	26.40%	

4. R&D expenses

Applicable Not applicable

Name of main R&D project	Purpose	Progress	Expected target	Expected impact on the future development of the company

Upgrading and industrialization of high-alumina second generation electronic glass (KK6-P)	On the basis of KK6 products, further optimize product performance and processing performance to provide better quality CSG electronic glass in the market	The formulation design, performance testing and industrialization promotion of KK6-P have been completed	The developed KK6-P product has higher strength and drop height of the whole machine, meeting the requirements of 3D bending, AG etching and other processing technologies.	Through independent research and development, carry out product iteration, continuously improve the performance of the Company's electronic glass products, respond to market demand and improve product competitiveness.
BIPV architectural glass products and processing technology research and development	In response to the national strategic guidelines for dual carbon goals, strive to achieve the double carbon goal of construction as soon as possible with the supply of high-performance building energy-saving materials. Taking BIPV building photovoltaic curtain wall as a breakthrough, realize the transformation of buildings from passive energy saving to active energy generation.	Relevant exploration has been carried out on the application of the combination of BIPV photovoltaic curtain wall and traditional energy-saving glass, research through the composite application of photovoltaic products and energy-saving films to further reduce the comprehensive energy consumption of buildings in a variety of technical ways.	Provide the market with green photovoltaic power generation curtain wall glass products that meet architectural aesthetics and energy-saving design specifications	Through the development of BIPV project, improve the combination of the Company's two industrial chains of energy-saving glass and photovoltaic products, actively promote the development of green building materials, and form BIPV building glass products with CSG characteristics

R&D staff of the Company

	2021	2020	Ratio of change
Number of R&D staff (person)	173	170	1.76%
The proportion of the number of R&D staff	1.45%	1.61%	-0.16%
Educational structure of R&D staff	—	—	—
Below undergraduate	14	12	16.67%
Undergraduate	115	117	-1.71%
Master	39	38	2.63%
Doctor	5	3	66.67%
Age composition of R&D staff	—	—	—
Under 30years old	30	13	130.77%
30~40years old	104	104	0.00%
Over 40years old	39	53	-26.42%

R&D investment of the Company

	2021	2020	Ratio of change
Amount of R&D investment (RMB)	551,196,983	434,641,497	26.82%
Ratio of the R&D investment to the operating income	4.04%	4.07%	-0.03%
Amount of the capitalized R&D investment (RMB)	39,458,135	29,798,999	32.41%
Ratio of the capitalized R&D investment to the R&D investment	7.16%	6.86%	0.30%

Reasons and effects of major changes in the composition of the company's R&D staff

Applicable Not applicable

Reason of remarkable changes over the previous year of the ratio of the total R&D investment amount to the operating income

Applicable Not applicable

Reason of substantial change of the ratio of the R&D investment capitalization and its reasonable explanation

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2021	2020	Increase/decrease y-o-y
Subtotal of cash inflow from operating activities(1)	15,442,136,045	11,975,699,992	28.95%
Subtotal of cash outflow from operating activities(2)	11,540,051,660	9,245,080,356	24.82%
Net cash flow from operating activities	3,902,084,385	2,730,619,636	42.90%
Subtotal of cash inflow from investment activities(3)	4,526,023,816	439,718,884	929.30%
Subtotal of cash outflow from investment activities(4)	7,431,099,910	1,229,511,710	504.39%
Net cash flow from investment activity	-2,905,076,094	-789,792,826	
Subtotal of cash inflow from financing activity(5)	1,839,354,868	4,422,844,911	-58.41%
Subtotal of cash outflow from financing activity(6)	2,202,107,070	6,067,431,947	-63.71%
Net cash flow from financing activity	-362,752,202	-1,644,587,036	
Net increased amount of cash and cash equivalent	632,449,376	292,193,166	116.45%

Relevant data year-on-year major changes in the main influencing factors

√Applicable □ Not applicable

(1)Cash inflow from operating activities was mainly due to the increase in cash received from sales of goods and provision of labor services.

(2)Cash outflow from operating activities was mainly due to the increase in cash paid for purchasing goods and accepting labor services.

(3)Cash inflow from investing activities was mainly due to cash recovery from the redemption of structured deposits.

(4)Cash outflow from investing activities was mainly due to the increase in cash paid for purchasing structured deposits and purchasing and constructing fixed assets, intangible assets and other long-term assets.

(5)The cash inflow from financing activities was mainly due to the increase in cash received from the issuance of bonds in the previous year.

(6) The cash outflow from financing activities was mainly due to the decrease in cash paid for debt repayment this year.

Notes to the reason of the significant differences between the net cash flow from the operating activities and the net profits of the year during the report period

Applicable √ Not applicable

V. Non-main business analysis

√Applicable □ Not applicable

Unit: RMB

	Amount	Ratio in total profit	Note for the reason	Sustainable or not
Investment income	16,847,647	0.88%	Income from structured deposits, etc.	No
Asset impairment	981,665,546	51.20%	Mainly due to impairment loss of long-term assets	No
Non-operating income	12,604,534	0.66%	Mainly due to claim income and the payments unable to pay, etc.	No
Non-operating expenses	26,130,744	1.36%	Mainly for the refund of financial subsidies and others	No

VI. Asset and Liability Analysis

1. Significant changes in asset composition

Unit: RMB

	The end of 2021		The beginning of 2021		Change of proportion	Notes of major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	2,765,925,906	13.87%	2,125,788,903	11.89%	1.98%	Mainly due to the increase in cash received from the sale of goods
Tradable financial assets	999,600,000	5.01%			5.01%	Mainly due to the purchase of structural deposits
Notes receivable	19,220,984	0.10%	207,966,892	1.16%	-1.06%	Mainly due to the change of collection method of some subsidiaries and some converted to accounts receivable due to non-performance by the drawer
Accounts receivable	730,525,687	3.66%	681,467,133	3.81%	-0.15%	
Inventory	1,093,805,525	5.49%	815,156,318	4.56%	0.93%	Mainly due to the increase in raw material stocking and finished product inventory
Investment real estate	383,084,500	1.92%	383,084,500	2.14%	-0.22%	
Fix assets	8,566,515,026	42.96%	9,145,644,569	51.14%	-8.18%	
Construction in process	2,461,088,650	12.34%	1,893,380,611	10.59%	1.75%	Mainly due to the increase in project investment of some subsidiaries
Right-of-use asset	9,911,935	0.05%	11,538,741	0.06%	-0.01%	Mainly due to the reclassification of long-term deferred expenses to right-of-use assets for the implementation of the new leased standards
Development expenditure	72,019,362	0.36%	49,153,407	0.27%	0.09%	Mainly due to the increase in R&D investment
Goodwill	130,147,859	0.65%	233,375,693	1.31%	-0.66%	Mainly due to the provision for impairment of goodwill
Long-term deferred expenses	3,013,721	0.02%	741,179	0%	0.02%	Mainly due to the increase in long-term deferred expenses of some subsidiaries
Deferred tax assets	255,185,923	1.28%	194,979,414	1.09%	0.19%	Mainly due to the increase in deferred income tax assets from the provision for asset impairment
Other non-current assets	584,162,622	2.93%	193,359,445	1.08%	1.85%	Mainly due to the increase in prepayment for engineering equipment by some subsidiaries
Short-term loans	180,770,000	0.91%	352,895,571	1.97%	-1.06%	Mainly due to the repayment of part of the loan
Notes payable	400,662,713	2.01%	144,851,192	0.81%	1.20%	Mainly due to the increase in newly-issued bills of some subsidiaries
Contract liabilities	335,188,642	1.68%	296,776,624	1.66%	0.02%	
Non-current liabilities due within one year	503,820,548	2.53%	928,352,462	5.19%	-2.66%	Mainly due to repayment of medium-term notes

Long-term loans	1,469,059,824	7.37%	853,253,983	4.77%	2.60%	Mainly due to the increase in loans for the projects
Lease liabilities	220,138		1,077,230	0.01%	-0.01%	Mainly due to the reclassification of lease contracts to non-current liabilities due within one year
Long-term payables	168,258,062	0.84%			0.84%	Mainly due to the increase in financial lease payables

The proportion of overseas assets was relatively high

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening balance	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value included in equity	Impairment accrued in the current period	Purchase amount for this period	Amount sold in this period	Other changes	Closing balance
1. Trading financial assets (excluding derivative financial assets)					5,423,600,000	4,424,000,000		999,600,000
2. Investment real estate	383,084,500							383,084,500
3. Receivables financing	382,527,782						-85,481,659	297,046,123

Other changes: nil

During the report period, whether the company's main asset measurement attributes changed significantly or not

Yes No

3. Limited asset rights as of the end of the report period

Unit: RMB

Item	Limited amount	Limited reason
Monetary funds	9,448,334	Restricted deposit flow etc.
Fix assets	165,095,479	Limited finance lease
Total	174,543,813	

VII. Investment

1. Overall situation

Applicable Not applicable

Investment in the report period (RMB)	Investment in the same period of the previous year (RMB)	Changes
7,431,099,910	1,229,511,710	504.39%

2. The major equity investment obtained in the report period

Applicable Not applicable

3. The major ongoing non-equity investment in the report period

√Applicable □ Not applicable

Unit: RMB 0,000

Project	Way of investment	Fixed asset investment or not	Industry involved	Amount invested in the report period	Accumulative amount actually invested by the end of the report period	Source of funds	Progress of project (ongoing projects)	Expected return	Accumulative revenue achieved by the end of the report period	Reasons for not achieving the planned progress and the expected return	Date of disclosure (if applicable)	Index of disclosure (if applicable)
Zhaoqing CSG high-grade energy conservation glass production line project	Self-built	Yes	Manufacturing industry	26,561	31,335	Own funds and loans from financial institutions	CSG plans to invest in the construction of energy-saving glass production project in Zhaoqing from 2019 to 2021. After the production, the company will produce 2.5 million square meters of energy-saving insulating glass and 3.5 million square meters of coated energy-saving products. Part of the project is in production and part is under construction.	6,988		Part of the project had been completed, and the benefits had been reflected in the profits.	December 13, 2019	Notice number: 2019-077
Zhaoqing CSG high-grade automotive glass production line project	Self-built	Yes	Manufacturing industry	2,454	2,794	Own funds and loans from financial institutions	CSG plans to invest in the construction of high-end automotive glass production line in Zhaoqing from 2019 to 2021. The project is under construction.	5,800		No profit as the project is in the construction period.	December 13, 2019	Notice number: 2019-077
Anhui Fengyang quartz sand project	Self-built	Yes	Manufacturing industry	5,488	5,666	Own funds and loans from financial institutions	CSG plans to build a new production base of low iron (ultra-white) quartz sand with an annual output of 600,000 tons in Fengyang, Anhui Province, and obtain the raw	8,238		No profit as the project is in the construction period.	March 6, 2020	Notice number: 2020-010

							ore right of quartz sand. The project is under construction.					
Anhui Fengyang Lightweight & high-permeability panel for solar energy equipment manufacturing base project	Self-built	Yes	Manufacturing industry	75,013	76,517	Own funds and loans from financial institutions	CSG plans to invest in Anhui Province for the project of lightweight & high-permeability panel for solar energy equipment manufacturing base in 2020-2022. The project is under construction.	43,566		No profit as the project is in the construction period.	March 6, 2020	Notice number: 2020-010
Tianjin Energy-saving Coating Production Line Purchase and Upgrade Project	Self-built	Yes	Manufacturing industry	9,523	9,523	Own funds and loans from financial institutions	CSG intends to invest in a new coating production line in Tianjin CSG, and at the same time upgrade and transform the existing coating line B and line C. The project plans to increase the annual production capacity of 2.76 million square meters through the purchase of coating lines and the upgrading and transformation of existing production lines. The project is under construction.	1,640		No profit as the project is in the construction period.	April 30, 2020	Notice number: 2020-023
Wujiang Architectural Glass newly building intelligent manufacturing plant construction project	Self-built	Yes	Manufacturing industry	5,101	5,177	Own funds and loans from financial institutions	CSG plans to build a full-process flexible automated production line covering cutting, edging, tempering, insulating and other processes in Wujiang CSG East China Architectural Glass Co., Ltd., using the reserved industrial land in the factory area. The new factory building area is 31,968 square meters, and the new intelligent manufacturing production line has an annual output of 1.2 million square meters of Low-E energy-	5,049		No profit as the project is in the construction period.	June 24, 2020	Notice number: 2020-051

							saving insulating glass. The project is under construction.					
Dongguan solar light and high-efficiency double-glass processing production line construction project	Self-built	Yes	Manufacturing industry	5,165	5,689	Own funds and loans from financial institutions	CSG plans to build a lightweight and high-efficiency double-glass processing production line in Dongguan Solar. After the production line is completed, it is expected to add 1 million square meters of double-glass production capacity per month, with an annual production capacity of 12 million square meters. The project was transferred into commercial operation in Nov. 2021.	2,341		The project was just put into production, and the profit would be illustrated in 2022.	August 24, 2020	Notice number: 2020-061
Wujiang Float Lightweight and High-efficiency double-glass processing production line construction project	Self-built	Yes	Manufacturing industry	3,683	4,040	Own funds and loans from financial institutions	CSG plans to build two lightweight and high-efficiency double-glass processing production lines in Wujiang Float. After the production line is completed, it is expected to add 2 million square meters of double-glass production capacity per month, with an annual production capacity of 24 million square meters. After the project is completed, it will give full play to Wujiang Float's technical advantages of double-glass, enhance market competitiveness, and expand the scale of the Company's benefits. The project is under construction.	4,785		No profit as the project is in the construction period.	August 24, 2020	Notice number: 2020-061
Xi'an CSG Energy-saving	Self-built	Yes	Manufacturing industry	34	34	Own funds and loans from	CSG Group plans to invest in Xi'an, Shanxi Province for building a high-end energy-	4,222		No profit as the project is	November 7, 2020	Notice number: 2020-070

glass production line project						financial institutions	saving glass production line with an annual output of 2.1 million square meters of insulating energy-saving glass, and a 3.5 million square meter energy-saving glass production line with coated energy-saving products. The project is under construction.			in the preparation period.		
Hebei Panel Glass ultra-thin electronic glass Line II construction project	Self-built	Yes	Manufacturing industry	1,484	2,441	Own funds and loans from financial institutions	CSG plans to build an ultra-thin electronic glass production line with a daily melting capacity of 110 tons and a complementary R&D center in Hebei Panel Glass. The project is under construction.	4,671		No profit as the project is in the construction period.	March 27, 2021	Notice number:2021-008
Xianning CSG 1200T/D Photovoltaic Packaging Material Production Line Project	Self-built	Yes	Manufacturing industry	6,645	6,645	Own funds and loans from financial institutions	CSG plans to build a photovoltaic kiln with a daily melting capacity of 1,200 tons and complementary deep processing lines in Xianning CSG. The project is under construction.	12,835		No profit as the project is in the construction period.	March 27, 2021	Notice number:2021-008
Dongguan CSG Solar Double-Glass Calendering Line Technical Transformation and Upgrade Project	Self-built	Yes	Manufacturing industry	239	239	Own funds and loans from financial institutions	CSG plans to carry out cold repair and technical transformation of the 650T/D line ultra-white solar kiln in Dongguan Solar Phase III, and start the technical transformation and upgrade project of double-glass calendering line. After the project is completed, it will ensure that the product quality, output efficiency, energy consumption level and cost advantage are at the leading domestic level. The project is under construction.	6,067		No profit as the project is in the construction period.	June 8, 2021	Notice number:2021-025

CSG East China headquarters building	Self-built	Yes	Manufacturing industry			Own funds and loans from financial institutions	CSG Group plans to invest in the construction of CSG East China Headquarters Building in Wujiang District, Suzhou City, Jiangsu Province, as the R&D, marketing, exhibition, office and cooperation center of upstream and downstream enterprises in the industry chain in East China, so as to meet the needs of CSG's expanding business scale and increasing personnel in East China in the future.			No profit as the project is in the construction period.	August 27, 2021	Notice number: 2021-039
CSG Guangxi Beihai Photovoltaic Green Energy Industrial Park Project (Phase I)	Self-built	Yes	Manufacturing industry	38	38	Own funds and loans from financial institutions	CSG plans to invest in the construction of CSG Guangxi Beihai Photovoltaic Green Energy Industrial Park project in Beihai Tieshangang Industrial Park, Longgang New District, Guangxi Zhuang Autonomous Region. Phase I of the project includes two 1,200t/d One-kiln & Five-line photovoltaic rolled glass production lines and complementary photovoltaic glass processing production line, as well as complementary R&D center, 2.5GW photovoltaic module production line, one 700 t/d one-kiln two-line production line for electronic glass and photoelectric glass, complementary quartz sand mine and purification processing line. The project is under construction.	55,764		No profit as the project is in the construction period.	September 10, 2021	Notice number: 2021-041

Hefei CSG Energy-saving Glass Intelligent Manufacturing Industry Base Project	Self-built	Yes	Manufacturing industry			Own funds and loans from financial institutions	CSG plans to invest in the construction of a CSG energy-saving glass intelligent manufacturing industrial base in Hefei City, Anhui Province, using a new generation of intelligent manufacturing technologies and processes to build an energy-saving glass processing center, and to further expand the market layout of CSG in central China, thereby to better serve the market and customers, and serve the national "Carbon Peaking and Carbon Neutrality goals".	4,666		No profit as the project is in the construction period.	October 15, 2021	Notice number: 2021-043
Xianning CSG Energy-saving Glass Co., Ltd. Production Line Reconstruction and Expansion Construction Project	Self-built	Yes	Manufacturing industry	15	15	Own funds and loans from financial institutions	CSG plans to use the surplus land in the park to implement the production line reconstruction and expansion project in Xianning CSG Energy-Saving Glass Co., Ltd., to carry out technical renovation and upgrade of the existing coating equipment, expand the workshop and supplement the complementary processing equipment, and simultaneously implement the full intelligent connection. After the completion of the project, it is expected that the company's annual production capacity of insulating glass will increase by 1.2 million square meters, and the annual production capacity of coated glass will increase by 2.42 million	2,713		No profit as the project is in the construction period.	December 3, 2021	Notice number: 2021-051

							square meters. The project is under construction.					
Qingyuan CSG Energy-saving New Materials Co., Ltd. Phase I Upgrading and Technical Transformation Project	Self-built	Yes	Manufacturing industry	842	1,562	Own funds and loans from financial institutions	CSG plans to carry out technical transformation of phase I production line of Qingyuan CSG Energy-saving New Material Co., Ltd., and achieves furnace and hardware upgrades through technological innovation to meet the technological requirements of the Group's newly developed third-generation high-alumina products (KK8). This technical upgrade will further promote the technological innovation of CSG in the field of electronic glass, open up the technological generation gap with domestic business partners, seize the market share of imported products, and speed up the process of import substitution. The project is under construction.	6,021		No profit as the project is in the construction period.	December 25, 2021	Notice number: 2021-053
Total	--	--	--	142,285	151,715	--	--	175,366		--	--	--

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

There was no securities investment during the report period.

(2) Derivative investment

Applicable Not applicable

There was no derivative investment during the report period.

5. Use of raised fund

Applicable Not applicable

There was no use of raised fund during the report period.

VIII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

2. Sales of major equity

Applicable Not applicable

IX. Analysis of main holding companies and joint -stock companies

Applicable Not applicable

Particular about main subsidiaries and joint -stock companies which have influence on the Company's net profit by over 10%

Unit: RMB

Name of company	Type	Main business	Registered capital	Total assets	Net Assets	Operating revenue	Operating profit	Net profit
Chengdu CSG Glass Co., Ltd.	Subsidiary	Development, manufacture and sales of various special glass	260 million	1,291,889,709	1,061,849,777	1,745,037,970	765,486,507	654,328,348
Hebei CSG Glass Co., Ltd.	Subsidiary	Manufacture and sales of various special glass	USD 48.06million	1,087,977,824	851,769,374	1,344,835,356	490,793,371	425,191,657
Xianning CSG Glass Co., Ltd.	Subsidiary	Development and manufacture and sales of various special glass	235 million	1,340,334,129	941,500,971	1,158,725,622	428,989,160	370,069,838
Wujiang CSG Glass Co., Ltd.	Subsidiary	Manufacture and sales of	565.04 million	1,772,739,593	1,515,940,005	2,133,590,715	614,194,495	531,749,201

		various special glass						
Dongguan CSG Solar Glass Co., Ltd.	Subsidiary	Manufacture and sales of Solar-Energy Glass products	480 million	1,475,320,905	1,197,618,751	1,477,806,414	310,810,639	270,624,711
Yichang CSG Polysilicon Co., Ltd.	Subsidiary	Production and sales of high-purity silicon material products	1,467.98million	1,747,485,123	-237,507,777	528,222,453	-295,211,587	-296,809,561
Dongguan CSG PV-tech Co., Ltd.	Subsidiary	Production and sales of high-tech green battery products	516 million	710,178,359	-61,429,727	405,025,214	-444,256,417	-431,273,692

Particulars about subsidiaries obtained or disposed in report period

Applicable Not applicable

Description of the main holding and shareholding companies:

In 2021, affected by the rising price of float glass, the performance of five subsidiaries including Chengdu CSG Glass Co., Ltd., Hebei CSG Glass Co., Ltd., Xianning CSG Glass Co., Ltd., Wujiang CSG Glass Co., Ltd. and Dongguan CSG Solar Glass Co., Ltd. increased significantly year-on-year. At the same time, based on the principle of prudence, the Group made provision for impairment of some assets with outdated processes and high energy consumption in Yichang CSG Polysilicon Co., Ltd. and Dongguan CSG PV-tech Co., Ltd.

X. Structured main bodies controlled by the Company

Applicable Not applicable

XI. Outlook of the Company's future development

1. Tendency of development of the industries the Company engages

Please refer to the relevant content of "I. Particulars about the industry the Company engages in during the report period".

2. The Company's development strategy

2022 is the 30th anniversary of CSG's listing. The Company will follow the development path of "Polishing three types of glass (float glass, photovoltaic glass, electronic glass) and forging a brand (architectural glass)", firmly expand and strengthen the main glass business, persist in high-quality development, adhere to the purpose of "Business First", continue to enhance the Company's core competitiveness, occupy the commanding heights of the industry, strengthen the advantage of raw material resources, improve technology and R&D strength, expand market share and market influence, integrate industrial resources, comprehensively improve the credibility and influence of the CSG brand, plan the layout of the CSG industry from a global and macro perspective, accelerate the development of new industries and enhance the Company's ability to resist cyclical risks, and build the CSG into a transnational enterprise group with international influence related to the upstream and downstream of the glass industry.

3. Business plan of the Company in 2022

- ① Continue to follow up local epidemic prevention policies, build a new management model under the normalization of the epidemic, work together to fight the epidemic and operate safely; ensure that the projects under construction are put into operation smoothly on schedule as planned, and form production capacity and benefit contribution as soon as possible;
- ② Accelerate the R&D and iteration related to new products and new businesses, and build an Industry-University-Research platform;

③Strengthen the ability of group operation and management, realize co-ordinated management, promote supply chain management, lean management and other measures, and focus on tapping potential and increasing efficiency activities to ensure the completion of the Company's operation and construction objectives of 2022;

④Strengthen talent management, establish remuneration incentive system related to the performance, improve company incentive mechanism, strengthen employee training, Select and train reserve cadres and introduce high-quality talents;

⑤ Rationally plan asset-liability ratio level and ensure financial risk under control;

⑥Improve information level of the Company, and create the world first-class information management platform to promote the development of internal production and processing technology from tradition to automation, information and intelligent manufacturing.

4. Fund demand, use plan and fund source

In 2022, the Company's expected capital expenditure is about RMB 5.228 billion, which is mainly used for projects such as light-weight and high-transparency panel projects for solar energy equipment, construction of electronic glass production lines, technology upgrades in the solar energy industry, engineering glass workshop automation and capacity expansion projects. The main sources of funds are self-owned funds and loans from financial institutions.

5. Risk factors and countermeasures

In 2022, in the face of “New Normal” of domestic economic development and the task of building a “Century CSG”, the Company will face the following risks and challenges:

①The epidemic situation at home and abroad and the international political environment are still facing many uncertainties.

Affected by the repeated outbreaks of the epidemic and the complicated international political environment, the domestic economy still faces many challenges and uncertainties. In 2022, the Company will continue to normalize epidemic prevention and control, strengthen its attention to the market, timely adjust the strategy according to market changes, and strive to achieve the annual core work objectives through steady operation.

②The glass industry is facing fierce competition among similar products and pressure from rising raw materials and fuels; the electronic glass and display industry faces the risk of accelerating material technology upgrades due to the continuous rapid iterative upgrade of technology requirements in downstream application scenarios; the solar energy industry faces the challenge of an imbalance in the supply chain which leads to rapid price increases in some links. To cope with aforesaid risks, the Company will take the following measures:

A. In the flat glass industry, the Company will enhance the competitiveness of the industry through continuous lean management, differentiated management and product structure optimization, and expand the scale of the industry by investing in new production lines and enhance the competitiveness of the industry;

B. In the architectural glass industry, the Company will strengthen the development of high-end market and overseas market, actively develop traditional residence market, and at the same time, maintain the industrial advantageous position of the Company through market-oriented extension of industrial chain;

C. In the solar energy industry, the Company will strengthen the integration of resources across the industry chain, increase R&D investment, strengthen operation management, and maintain corporate competitiveness in market segmentation; pay close attention to market changes, vigorously carry out cost reduction and efficiency enhancement activities, implement energy-saving and consumption-reducing measures, and timely upgrade and replace the equipment, to improve production efficiency and ensure the Company's benefits;

D. In electronic glass and display industry, the Company will strengthen research and development of new technology as well as new product, maintain its technical leading advantage in the industry, and rapidly develop terminal market and improve industrial profitability. In the display industry, the Company will strengthen the research and development of new technologies and products, maintain the leading edge of industry technology, further strengthen the development of terminal market and improve the profitability of the industry.

③ The market price of solar glass and PV industry has fluctuated greatly. At the same time, the prices of upstream raw materials have fluctuated, and the current rising labor costs have brought risks to the Company's operations.

To cope with risk, the Company will take the following measures:

A. Vigorously exploit potential and increase efficiency, and effectively implement energy saving and consumption reduction to control production cost;

B. Focus on the market change, lock the price of bulk commodity at proper time, and take advantage of bulk purchases to reduce purchase costs;

C. Improve automatic production level, raise labor productivity;

D. Strengthen the development of new application market and disperse the risk of single market.

④ Risk of fluctuation of foreign exchange rate: At present, nearly 9.44% of the sales revenue of the Company is from overseas, in the future, the Company will further develop overseas business, and therefore, the fluctuation of exchange rate will bring certain risk to the operation of the Company. To cope with such risk, the Company will settle exchange in time and use safe and effective risk evading instrument and product to relatively lock exchange rate and reduce the risk caused by fluctuation of exchange rate.

XII. Reception of research, communication and interview

1. Particulars about research, communication and interview in the report period

√Applicable □ Not applicable

Reception time	Reception location	Reception method	Reception object type	Reception object	The main content of the discussion and the information provided	Index of the basic situation of the survey
April 15, 2021	CSG Headquarters	Telephone communication	institution	Shenwan Hongyuan Research Institute, National Social Security Fund, Bank of Communications Wealth Management, Harvest Fund and other institutions	The Company communicated with investors on the Company's periodical reports, the Company's performance and the operation and development of businesses, etc.; no material was provided.	For details, please refer to the Record of Investor Relations Activities disclosed on Juchao website (www.cninfo.com.cn) on April 16, 2021.
July 6, 2021	CSG Headquarters	Telephone communication	institution	Shenwan Hongyuan Research Institute, Changjiang Securities, China Asset Management, China Merchants Fund and other institutions	The Company communicated with investors on the Company's operation in the first half of the year, electronic glass, photovoltaic glass, etc.; no material was provided.	For details, please refer to the Record of Investor Relations Activities disclosed on Juchao website (www.cninfo.com.cn) on July 7, 2021.

Section IV. Corporate Governance

1. Basic Situation of Corporate Governance

In strict compliance with the requirements of the relevant laws and regulation including The Company Law, Securities Law and Rule of Governance for Listed Company, the Company has been putting efforts in improving the corporate governance, strengthening management of information disclosure, regulating operation activities and establishing a modern corporate system. At present, the system for corporate governance of the Company is basically sound, operation is regulated, corporate governance is consummated, which accord with the requirements of relevant documents on corporate governance of listed company issued by CSRC.

According to the "Company Law" and other relevant laws and regulations and the "Articles of Association", the Company has established and improved a relatively standardized corporate governance structure, and formed a decision-making and operation management system with the shareholders' meeting, the board of directors, the board of supervisors and the Company's management as the main structure. The power organs, decision-making bodies, supervision bodies and managers have clear rights and responsibilities, perform their respective duties and effectively monitor and balance, and perform various duties stipulated in the "Company Law" and "Articles of Association" in accordance with the law. According to the "Articles of Association" and other relevant corporate governance regulations, the Company has formulated the "Procedure Rules for Shareholders' Meeting", "Procedure Rules for the Board of Directors", "Procedure Rules for the Supervisory Committee", "General Manager's Work Rules" and other relevant systems, which provides an institutional guarantee for the standardized operation of the corporate governance structure of the Company.

The Company's "Three Committees" (General Meeting of Shareholders, Board of Directors and Board of Supervisors) operate in a standardized manner, and the procedures for convening and convening meetings comply with relevant regulations. Directors, supervisors and senior management can perform relevant duties and obligations diligently and conscientiously. Independent directors can play an independent role in the company's decision-making, and their relevant suggestions to the company have been adopted by the company, which has played an active role in safeguarding the interests of the company and minority shareholders. At the same time, the company also provides sufficient guarantee for independent directors and supervisors to perform their duties. The Board of Directors has established four special committees, namely, the Strategy Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Evaluation Committee, to assist the Board of Directors in performing relevant functions and provide professional suggestions and opinions for the Board of Directors' decision-making. The Board of Directors and the Board of Supervisors of the Company report to the General Meeting of Shareholders on the performance of their duties by directors and supervisors, and the independent directors make a debriefing report to the General Meeting of Shareholders. The senior management personnel have a clear division of labor, clear responsibilities and authorities, and operate in compliance with laws and regulations. In strict accordance with the requirements of the Listing Rules of Shenzhen Stock Exchange and other relevant laws and regulations, the company earnestly performs the obligation of information disclosure to ensure the authenticity, accuracy, integrity and timeliness of information disclosure. The company earnestly fulfills its information disclosure obligations in strict accordance with the requirements of the Shenzhen Stock Exchange Listing Rules and other relevant laws and regulations to ensure the truthfulness, accuracy, completeness and timeliness of information disclosure. Shanghai Securities News, Securities Daily, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) are designated media for the Company's information disclosure to ensure that all shareholders of the Company have equal access to the Company's business information. The Company has established the Information Disclosure Management System and promptly improved it in accordance with newly issued laws and regulations, clarified the standards of insider information, and established inside information insider registration system and record management system. In order to further strengthen the Company's internal information disclosure control, enhance the disclosure consciousness of relevant personnel, and improve the quality of corporate information disclosure, in 2016, the Company set up information Disclosure Committee, and formulate Rules for the implementation of the information disclosure Committee. During the report period, the Company disclosed information with facticity, completeness, timeliness and fairness, strictly fulfilled the responsibilities and obligations of information disclosure of listed companies to ensure that investors are able to keep abreast of the Company's operation and development strategies. There was no regulatory punishment caused by information disclosure in the report period. Meanwhile, the Company delivered the Inside Information Insider Table to Shenzhen Stock Exchange when submitting periodic reports. It didn't exist that insiders used the inside information to trade the Company's shares before the major sensitive information which could affect the Company's share price was disclosed.

The Company has seriously implemented the requirements of the relevant regulatory to cash dividends. The Company formulated the Return plan for Shareholders of CSG Holding Co., Ltd. in the Next Three Years (2020-2022) according

to relevant regulations of the Notice of Further Implementation of Cash Dividends of the Listed Companies (ZJF No.: [2012] 37) and the Regulatory Guidelines of Listed Companies No. 3-Cash Dividends of Listed Companies (ZGZJHGG No. [2013] 43) issued by China Securities Regulatory Commission, further improved the Company's decision-making and supervision mechanism for distribution of profits, and protected the interests of investors.

During the report period, it did not exist that the Company provided the undisclosed information to the largest shareholder. And it did not exist that non-operating fund of listed Company was occupied by the largest shareholder and its affiliated enterprises.

Is there any difference between the actual condition of corporate governance and relevant regulations about corporate governance for listed company from CSRC?

Yes No

II. Independency of the Company relative to the largest shareholder in aspect of businesses, personnel, assets, organization and finance

The Company has been absolutely independent in business, personnel, assets, organization and finance from its largest shareholder ever since its establishment. The Company has an independent and complete business system and independent management capability.

1. In terms of business: The Company owns independent purchase and supply system of the raw resources, complete production systems, independent sale system and customers. The Company is completely independent from the largest shareholder in business. The largest shareholder and its subsidiaries do not engage any identical business or similar business as the Company.

2. In terms of personnel: The Company established integrated management system of labor, personnel, salaries and the social security, which were absolutely independent from its holding shareholder's. Personnel of the managers, person in charge of the financial and other executive managers are obtained remuneration from the Company since on duty in the Company, and never received remuneration or take part-time jobs in the largest shareholder's company and other enterprises controlled by the largest shareholder. The recruitment and dismissal of Directors are conducted through legal procedure since the Company was listed and the manager has been appointed or dismissed by Board of Directors. The Board of Directors and the Shareholders' General Meeting have not received any interference of decisions on personnel appointment and removal from the largest shareholder.

3. In terms of asset: the Company is able to operate business independently and enjoys full control over the production system, auxiliary production system and facilities, land use right, industry property and non-patent technology owned or used by the Company. The investments to the Company from largest shareholder are monetary assets, and the largest shareholder has never occupied, damaged or intervened to operation on these assets.

4. In terms of organization: The Company possessed sound corporate governance structure, established Shareholders' General Meeting, Board of Directors, Supervisory Board, appointed general manager, and fixed related function departments. The Company had been totally independent from its largest shareholder in organization structure. The Company has its own office and production sites that are different from those of the largest shareholder. The largest shareholder and its related parties didn't deliver any operation plan and order to the Company, neither influence the independence on management of the Company by any forms.

5. In terms of finance: The Company has set up independent financial department, established independent accounting calculation system and financial management system (included management system of its subsidiaries). The financial personnel of the Company didn't take part-time jobs in units of largest shareholder or its subordinate units. The Company had independent bank accounts, separated from the largest shareholder. The Company is independent taxpayer, paid taxes independently according the laws and didn't pay mixed taxes with the largest shareholder. The financial decision-making of the Company was independent, and the use and management of funds were independent. The Company never offered guarantee to their largest shareholder and its subordinate units and other related party. The largest shareholder and its related have never occupied or disguisedly occupied the capital of the Company.

III. Horizontal competition

Applicable Not applicable

IV. Information on the annual general meeting and extraordinary general meeting held during the report period

1. The general meeting of shareholders during the report period

Session of meeting	Type	Ratio of investor participation	Convened date	Date of disclosure	Meeting resolution
The First Extraordinary General Shareholders' Meeting of 2021	Extraordinary General Shareholders' Meeting	29.26%	March 8, 2021	March 9, 2021	Announcement on Resolutions of the First Extraordinary General Shareholders' Meeting of 2021 (Announcement No.: 2021-006)
The Second Extraordinary General Shareholders' Meeting of 2021	Extraordinary General Shareholders' Meeting	28.84%	April 13, 2021	April 14, 2021	Announcement on Resolutions of the Second Extraordinary General Shareholders' Meeting of 2021 (Announcement No.: 2021-013)
Annual General Shareholders' Meeting of 2020	Annual General Shareholders' Meeting	28.48%	May 7, 2021	May 8, 2021	Announcement on Resolutions of Annual General Shareholders' Meeting of 2020 (Announcement No.: 2021-024)
The Third Extraordinary General Shareholders' Meeting of 2021	Extraordinary General Shareholders' Meeting	28.36%	August 25, 2021	August 26, 2021	Announcement on Resolutions of the Third Extraordinary General Shareholders' Meeting of 2021 (Announcement No.: 2021-038)
The Fourth Extraordinary General Shareholders' Meeting of 2021	Extraordinary General Shareholders' Meeting	29.91%	November 15, 2021	November 16, 2021	Announcement on Resolutions of the Fourth Extraordinary General Shareholders' Meeting of 2021 (Announcement No.: 2021-050)

2. The preference shareholders whose voting rights have been restored request the convening of an extraordinary general meeting

Applicable Not applicable

V. Directors, supervisors and senior executives

1. Basic information

Name	Title	Working status	Sex	Age	Start dated of office term	End date of office term	Shares held at period-begin (Share)	Amount of shares increased in this period (Share)	Amount of shares decreased in this period (Share)	Other changes (share)	Shares held at period-end (Share)	Reason for increase or decrease of shares
Chen Lin	Chairman of the Board	Currently in office	Female	50	2016-11-19	2023-05-21	1,623,065				1,623,065	
Wang Jian	Director, CEO	Currently in office	Male	58	2016-01-21	2023-05-21	1,012,000				1,012,000	
Zhu Guilong	Independent Director	Currently in office	Male	58	2017-05-02	2023-05-21						
Zhu Qianyu	Independent Director	Currently in office	Female	47	2019-04-10	2023-05-21						
Xu Nianhang	Independent Director	Currently in office	Male	44	2020-05-21	2023-05-21						
Zhang Jinshun	Director	Currently in office	Male	57	2017-05-02	2023-05-21						
Cheng Xibao	Director	Currently in office	Female	40	2016-01-21	2023-05-21						
Cheng Jinggang	Director	Currently in office	Male	41	2020-05-21	2023-05-21						
Yao Zhuanghe	Director	Currently in office	Male	63	2020-05-21	2023-05-21						

Li Jianghua	Chairman of the Supervisory Board, Employee Supervisor	Currently in office	Male	45	2019-03-27	2023-05-21						
Meng Lili	Supervisor	Currently in office	Female	44	2020-05-21	2023-05-21						
Dai Pingsheng	Employee Supervisor	Currently in office	Male	40	2021-07-08	2023-05-21						
He Jin	Secretary of the Party Committee, Vice president	Currently in office	Male	50	2018-04-08	2023-05-21	897,600				897,600	
Yang Xinyu	Secretary of the Board	Currently in office	Male	42	2017-05-02	2023-05-21	1,159,332				1,159,332	
Gao Changkun	Employee Supervisor	Post leaving	Male	53	2018-08-30	2021-07-08		500			500	Personal purchase
Lu Wenhui	Executive Vice President	Post leaving	Male	59	2017-02-23	2021-07-07	1,217,298				1,217,298	
Total	--	--	--	--	--	--	5,909,295	500			5,909,795	

During the report period, whether there was any resignation of directors and supervisors and dismissal of senior executives during their term of office

√Yes □No

The Company received a written resignation report submitted by Employee Supervisor Mr. Gao Changkun in July 2021. Mr. Gao Changkun resigned from his position as employee supervisor of the Company due to work adjustment.

The Company received a written resignation report submitted by the Executive Vice President Mr. Lu Wenhui in July 2021. Mr. Lu Wenhui resigned as the Company's executive vice president due to personal reasons.

Changes in directors, supervisors and senior executives of the company

√Applicable □ Not applicable

Name	Position	Type	Date	Reason
Dai Pingsheng	Employee Supervisor	Be elected	July 8, 2021	Election of Workers Congress
Gao Changkun	Employee Supervisor	Post leaving	July 8, 2021	Voluntary turnover
Lu Wenhui	Executive Vice President	Dismissed	July 7, 2021	Voluntary resignation

2. Post-holding

Major professional background, working experience of directors, supervisors and senior executive and their major responsibility in the Company at present

Chen Lin: At present, she is Chairman of Board of Supervisors of Foresea Life Insurance Co., Ltd. and Chairman of the Board of the Company.

Wang Jian: took posts of General Manager and Executive Director of China North Industries Tianjin Corporation, General Manager of China North Vehicle Co., Ltd., and Deputy Chairman and Chairman of Shanghai Nonferrous Metals E-Commerce Co., Ltd., General Manager of Investment Management Department of China North Industries Corporation, Chairman of the Board of Chengdu Yinhe Dynasty Hotel Co., Ltd., Deputy Chairman of the Board of Shenzhen Baoyin Electricity Co., Ltd., Chairman of the Board of North Property Development Company Limited. At present, he is Director and CEO of the Company.

Zhu Guilong: took posts of Researcher of the Institute of Forecasting and Development at Hefei University of Technology, Independent Director of Jiangsu Saifutian Steel Cable Co., Ltd., Independent Director of Guangzhou Kingmed Diagnostics Group Co., Ltd., Director of Guangdong Yiji Network Co., Ltd., Director of Guangzhou Nuocheng Biological Products Co., Ltd. At present, he is a Professor and Doctoral Tutor of the School of Business Administration, South China University of Technology, Executive Director of Chinese Association For Science of Science and S&T Policy, Vice Chairman of Guangdong Institute of Technical Economy and Management Modernization, Vice Chairman of Guangdong Economic Society, Independent Director of GRG BANKING EQUIPMENT CO., Ltd., Independent Director of Guangzhou Bank Co., Ltd., Director of Jiangxi Jiufeng Energy Co., Ltd., Director of CS Richland Asset Co., Ltd., Independent Director of Sirio Pharma Co., Ltd., and Independent Director of the Company.

Zhu Qianyu: took posts of Lecturer and Associate Professor of School of Finance of South-Central Minzu University, postdoctor in Finance Department of Guanghua School of Management at Peking University, and researcher of Peking University Finance and Securities Research Center, Independent Director of LandOcean Energy Services Co., Ltd. At present, she is Associate Professor at Renmin University of China, Researcher of National Institute of Development and Strategy of Renmin University of China, Institute of Rural Economy and Finance of Renmin University of China, and Double Carbon Research Institute of Renmin University of China, Independent Director of Kingfa SCI.&TECH. Co., Ltd., and Independent Director of the Company.

Xu Nianhang: took posts of Postdoctoral Researcher in the Department of finance of Guanghua School of Management at Peking University, Lecturer and Associate Professor in the Business School of Renmin University of China, Independent Director of Danhua Chemical Technology Co., Ltd., and Independent Director of Ledor Spatial Information Technology Corporation, Independent Director of Xisteel Group Co., Ltd., Independent Director of Fujian Newchoice Pipe Technology Co., Ltd., Independent Director of Inner Mongolia Dazhong Mining Co., Ltd. (unlisted company). At present, he is Director, Professor and Doctoral Tutor of the Department of Finance and finance, Business School of Renmin University of China, Independent Director of Chongqing Three Gorges Bank Co., Ltd. (unlisted company), Independent Director of Beijing iHandy Mobile Inc. (unlisted company), Independent Director of Anhui Wantong Technology Co., Ltd. and Independent Director of the Company.

Zhang Jinshun: At present, he is Director of the Company.

Cheng Xibao: took posts of Deputy Manager and Manager of Financial Department of Huizhou Olympic Garden Co., Ltd., which is a subsidiary of China Sports Group Industry, Manager of Financial Department of Shenzhen Xuansheng Investment Co., Ltd., which is a subsidiary of Foxconn, and Manager, Vice President, Executive Vice President of Financial Department, President Assistant, Vice President of Shenzhen Baoneng Investment Group Co., Ltd., Director of Foresea Life Insurance Co., Ltd., Supervisor of Guizhou Baoneng Automobile Co., Ltd. At present, she is Senior Vice President of Shenzhen Baoneng Investment Group Co., Ltd., Executive Vice President of Baoneng City Development and Construction Group Co., Ltd., the Supervisor of Xinjiang Qianhai United Property & Casualty Insurance Co., Ltd., Director of Baoneng Automobile Co., Ltd., Director of Qoros Automobile Co., Ltd., Director of Shenzhen Baoneng Travel Co., Ltd., and Director of the Company.

Cheng Jinggang: took posts of Credit Analyst of Dagong Global Credit Rating Co., Ltd., Senior Credit Analyst of the Fixed Income Department of Funde Sino Life Insurance Co., Ltd., Senior Manager of the Credit Evaluation Department of Sino Life Asset Management Co., Ltd. At present, he is Deputy Director of the Asset Management Center of Foresea Life Insurance Co., Ltd. and Director of the Company.

Yao Zhuanghe: took posts of Deputy Director of Food Engineering Department of South China University of Technology, Deputy General Manager and General Manager of Guangdong United Food Enterprise Center, Director of Guangdong Yuehua International Trade Group, Deputy General Manager of Guangdong Guangye Economic Development Group, Director and General Manager of Guangdong Guangye Investment Consulting Co., Ltd., Director and Deputy Party secretary of Guangdong Guangye Environmental Construction Group (former Guangdong Guangye Real Estate Group). At present, he is Director of the Company.

Li Jianghua: took posts of Assistant of General Manager and Deputy General Manager of the Operation Service Department of the Information Management Center of Foresea Life Insurance, Deputy General Manager of IT Department of Xinjiang Qianhai United Property & Casualty Insurance Co., Ltd., General Manager of Integrated Financial Development Department of Foresea Life Insurance. At present, he is Director of the Information Management Department of the Company, Chairman of the Supervisory Board of the Company.

Meng Lili: At present, she is Deputy Director of Human Resources Center, General Manager of the Office of the Board of Directors and Employee Supervisor of Foresea Life Insurance Co., Ltd., and Supervisor of the Company.

Dai Pingsheng: took posts of Financial Manager of Dongguan CSG Solar Glass Co., Ltd., Deputy Manager, Assistant Director and Deputy Director of the Financial Management Department of CSG, and the Vice President of the Architectural Glass Division of CSG. At present, he is the Director of the Investment Department and Employee Supervisor of the Company.

He Jin: took posts of General Manager of Shenzhen CSG Float Glass Co., Ltd., the Vice President of Float Glass Division, General Manager of Dongguan CSG Solar Glass Co., Ltd., General Manager of Chengdu CSG Glass Co., Ltd. and General Manager of Qingyuan CSG Energy Saving New Materials Co., Ltd., Assistant President of the Company and President

of Flat Glass Division. At present, he is Secretary of the Party Committee, Vice President of the Company and Chairman of Management Committee of the Company.

Yang Xinyu: took posts of Consultant of the Securities Department of Beijing KWM Law Firm, Risk Control Director and Assistant of Chairman of the Board and Head of the Law Department of Honghua International Medical Holding Co., Ltd., and the Director of the Audit and Supervision Department, the Director of the Stock Affairs Department of the Company. At present, he is Secretary of the Board of Directors and Deputy Vice Director of the Company.

Post-holding in shareholder's unit

Applicable Not applicable

Name	Name of shareholder's unit	Position in shareholder's unit	Start dated of office term	End date of office term	Received remuneration from shareholder's unit or not
Chen Lin	Foresea Life Insurance Co., Ltd.	Chairman of Supervisory Board	Apr. 2012		Yes
Cheng Jinggang	Foresea Life Insurance Co., Ltd.	Deputy Director of the Asset Management Center	Apr. 2012		Yes
Meng Lili	Foresea Life Insurance Co., Ltd.	Deputy Director of Human Resources Center, General Manager of the Office of the Board of Directors, Employee Supervisor	June 2013		Yes
Note of post-holding in shareholder's unit	N/A				

Post-holding in other unit

Applicable Not applicable

Name	Name of other units	Position in other unit	Start dated of office term	End date of office term	Received remuneration from other unit or not
Zhu Guilong	South China University of Technology	Professor and Doctoral Tutor	Aug. 2000		Yes
	GRG BANKING EQUIPMENT CO., Ltd.	Independent Director	Dec. 2020		Yes
	Guangzhou Bank Co., Ltd.	Independent Director	Apr. 2019		Yes
	Sirio Pharma Co., Ltd.	Independent Director	July 2021		Yes
	Jiangxi Jiufeng Energy Co., Ltd.	Director	Jan. 2019		Yes
	CS Richland Asset Co., Ltd.	Director	Jul.2019		Yes
Zhu Qianyu	Renmin University of China	Associate Professor	Mar. 2010		Yes
	Kingfa SCI.&TECH. Co., Ltd.	Independent Director	Jan.2021		Yes
Xu Nianhang	Renmin University of China	Director, Professor and Doctoral Tutor	Sep.2014		Yes
	Chongqing Three Gorges Bank Co., Ltd.	Independent Director	May 2019		Yes
	Beijing iHandy Mobile Inc. (unlisted company)	Independent Director	Oct.2018		Yes
	Anhui Wantong Technology Co., Ltd.	Independent Director	Feb. 2022		Yes
Cheng Xibao	Shenzhen Baoneng Investment Group Co., Ltd.	Senior Vice President	Nov. 2020		No

	Baoneng City Development and Construction Group Co., Ltd.	Executive Vice President	Oct. 2018		Yes
	Xinjiang Qianhai United Property & Casualty Insurance Co., Ltd.	Supervisor	Sep. 2016		No
	Baoneng Automobile Co., Ltd.	Director	Mar. 2017		No
	Qoros Automobile Co., Ltd.	Director	Dec. 2017		No
	Shenzhen Baoneng Travel Co., LTD.	Director	Sep. 2019		No
Note of post-holding in other unit	N/A				

Punishment of securities regulatory authority in the last three years to the Company's current and retired directors, supervisors and senior management during the report period

Applicable Not applicable

3. Remuneration of directors, supervisors and senior executives

Decision-making procedures, recognition basis and payment for directors, supervisors and senior executives

1. Decision-making procedures: The allowances for independent directors, external directors from non-shareholder's unit are planned and proposed by the Remuneration & Assessment Committee of the Board and approved by the Shareholders' General Meeting after deliberation of the Board. Remuneration for senior executives is proposed by the Remuneration & Assessment Committee of the Board and decided by the Board after discussion.

2. Confirmation basis of remuneration: The allowances for independent directors and external directors are confirmed based on industry standards and real situation of the Company. The remuneration for senior executives implements floating reward mechanism with reference to basic salary and business performance. Bonus for performance rewards is withdrawal by proportion quarterly according to return on equity and based on the total net profit after taxation.

3. Actual remuneration payment: The allowances for each of the Company's independent directors, external director from non-shareholder's unit are RMB 0.15 million per year, paid by actual month of service. The total remuneration for directors, supervisor and senior executives in the report period was RMB 26.3495 million.

Remuneration of directors, supervisors and senior executives of the company during the report period

Unit: RMB 0,000

Name	Title	Sex	Age	Post-holding status	Total remuneration obtained from the Company before taxation	Received remuneration from related party of the Company or not
Chen Lin	Chairman of the Board	Female	50	Currently in office		Yes
Wang Jian	Director, CEO	Male	58	Currently in office	507.44	No
Zhu Guilong	Independent Director	Male	58	Currently in office	15	No
Zhu Qianyu	Independent Director	Female	47	Currently in office	15	No
Xu Nianhang	Independent Director	Male	44	Currently in office	15	No
Zhang Jinshun	Director	Male	57	Currently in office		Yes
Cheng Xibao	Director	Female	40	Currently in office		Yes
Cheng Jinggang	Director	Male	41	Currently in office		Yes
Yao Zhuanghe	Director	Male	63	Currently in office	15	No
Li Jianghua	Chairman of the Supervisory Board Employee Supervisor	Male	45	Currently in office	140.46	No
Meng Lili	Supervisor	Female	44	Currently in office		Yes
Dai Pingsheng	Employee Supervisor	Male	40	Currently in office	102.19	No

He Jin	Secretary of the Party Committee, Vice president	Male	50	Currently in office	730.18	No
Yang Xinyu	Secretary of the Board	Male	42	Currently in office	337.44	No
Gao Changkun	Employee Supervisor	Male	53	Post leaving	191.97	No
Lu Wenhui	Executive Vice President	Male	59	Post leaving	565.27	No
Total					2,634.95	

VI. Directors' performance of duties during the report period

1. Board of directors in the report period

Session	Meeting date	Date of disclosure	Resolution of the meeting
The Interim Meeting of the Ninth Board of Directors	January 7, 2021	January 8, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-001).
The Interim Meeting of the Ninth Board of Directors	February 18, 2021	February 19, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-003).
The Interim Meeting of the Ninth Board of Directors	March 26, 2021	March 27, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-008).
The Fourth Meeting of the Ninth Board of Directors	April 13, 2021	April 15, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Fourth Meeting of the Ninth Board of Directors" (Announcement No.: 2021-014).
The Fifth Meeting of the Ninth Board of Directors	April 23, 2021	--	Reviewed and approved "The First Quarter Report 2021".
The Interim Meeting of the Ninth Board of Directors	June 7, 2021	June 8, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-025).
The Interim Meeting of the Ninth Board of Directors	June 28, 2021	June 29, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-028).
The Interim Meeting of the Ninth Board of Directors	August 9, 2021	August 10, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-035).
The Sixth Meeting of the Ninth Board of Directors	August 25, 2021	August 27, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Sixth Meeting of the Ninth Board of Directors" (Announcement No.: 2021-039).
The Interim Meeting of the Ninth Board of Directors	September 9, 2021	September 10, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-041).
The Interim Meeting of the Ninth Board of Directors	October 14, 2021	October 15, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-043).

The Seventh Meeting of the Ninth Board of Directors	October 29, 2021	October 30, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Seventh Meeting of the Ninth Board of Directors" (Announcement No.: 2021-046).
The Interim Meeting of the Ninth Board of Directors	December 2, 2021	December 3, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-051).
The Interim Meeting of the Ninth Board of Directors	December 24, 2021	December 25, 2021	For details, please refer to Juchao Website (www.cninfo.com.cn): "Announcement on Resolution of the Interim Meeting of the Ninth Board of Directors" (Announcement No.: 2021-053).

2. Attendance of directors at the board of directors and shareholders' meeting

Attendance of directors at the board of directors and shareholders' meeting							
Name of director	Number of board meetings that should be attended in this report period	Number of Spot Attendances	Number of Meetings Attended by Communication	Number of attendances of board meeting by proxy	Number of absence	Failure to personally attend board meetings successively twice	Number of attendance of General Meeting
Chen Lin	14	2	12	0	0	No	4
Wang Jian	14	2	12	0	0	No	5
Zhu Guilong	14	1	13	0	0	No	5
Zhu Qianyu	14	1	13	0	0	No	4
Xu Nianhang	14	1	13	0	0	No	4
Zhang Jinshun	14	1	13	0	0	No	1
Cheng Xibao	14	0	14	0	0	No	2
Cheng Jinggang	14	2	12	0	0	No	5
Yao Zhuanghe	14	1	13	0	0	No	4

Note to failure to attend the board meeting successively twice

Not applicable

3. Objections raised by directors on matters related to the company

Whether the directors raised any objection to the relevant matters of the company

Yes No

During the report period, the directors did not raise any objection to the relevant matters of the Company.

4. Other note to duty performance of directors

Whether the directors' suggestions on the company have been adopted

Yes No

During the report period, the directors of the Company strictly followed the "Company Law", "Securities Law", "Shenzhen Stock Exchange Listing Rules", "Guidelines for Self-discipline and Supervision of Listed Companies No. 1-Standardized Operation of Listed Companies on the Main Board", "Guidance on the establishment of independent director system in Listed Companies" and other laws and regulations, as well as the "Articles of Association" and other relevant systems, to attend the board meetings and shareholders' meetings of the Company, to conscientiously perform duties, and to provide constructive comments or suggestions on decision-making for the Company's development. Among them, the independent directors carefully reviewed various proposals of the Company's Board of Directors, and expressed independent opinions on the Company's major business management matters, profit distribution, employment of audit institutions, internal control construction and other related matters. It has played an active role in safeguarding the interests of the Company and minority shareholders.

VII. Duty performance of Special Committees under the Board of Directors in the report period

Name of Special Committee	About the members	Number of meetings held	Meeting date	Content of meetings	Important comments and suggestions made	Other duty performance	Specific objections (if any)
Strategy Committee	Chairman of the committee: Chen Lin Committee members: Wang Jian, Cheng Jinggang, Zhu Guilong, Zhu Qianyu	12	February 15, 2021	Reviewed and approved "Matters Concerning Providing Guarantees for Subsidiaries".	During the report period, the members of the Strategy Committee conducted in-depth discussions and proposed valuable suggestions and opinions for major decisions which influence the development of the Company, and provided strong support for the scientific decision-making of the Board of Directors.	Nil	Nil
			March 23, 2021	Reviewed and Approved "Matters Concerning Xianning CSG's New 1200T/D Photovoltaic Packaging Material Production Line Project", "Matters Concerning the Second Line Construction Project of Hebei Panel Ultra-Thin Electronic Glass", "Matters Concerning the Carrying Out Bill Pool Business in 2021".			
			April 2, 2021	Reviewed and Approved "Proposal on Withdrawing Provisions for Asset Impairment", "Proposal on Profit Distribution for 2020", "Proposal on Using Own Funds to Purchase Structured Deposits".			
			June 3, 2021	Reviewed and approved the "Matters Concerning the Technical Transformation and Upgrading Project of Dongguan CSG Solar Double Glass Calendering Line", "Matters Concerning Termination of Some Investment Projects", "Matters Concerning Providing Guarantee for Subsidiaries", and "Matters Concerning Issuing Letters of Guarantee for Subsidiaries matters".			

			June 24, 2021	Reviewed and approved "Matters Concerning Providing Guarantees for Subsidiaries".			
			August 6, 2021	Reviewed and approved Matters Concerning Providing Guarantees for Subsidiaries.			
			August 13, 2021	Reviewed and approved the "Proposal on Investing in the Construction of CSG East China Headquarters Building"			
			September 6, 2021	Reviewed and approved the "Matters Concerning the Investment and Construction of CSG Guangxi Beihai Photovoltaic Green Energy Industrial Park (Phase I) Project".			
			October 11, 2021	Reviewed and approved the "Matters Concerning Provision for Asset Impairment" and the "Matters Concerning the Investment and Construction of Hefei CSG Energy-saving Glass Intelligent Manufacturing Industry Base Project".			
			October 19, 2021	Reviewed and approved Matters Concerning Providing Guarantees for Subsidiaries.			
			November 29, 2021	Reviewed and approved the "Matters Concerning the Reconstruction and Expansion of the Production Line of Xianning CSG Energy-saving Glass Co., Ltd."			
			December 24, 2021	Reviewed and approved "Matters Concerning Qingyuan CSG Energy-saving New Materials Co.,			

				Ltd. Phase I Upgrading and Technical Transformation Project", "Matters Concerning Providing Guarantees for Subsidiaries"			
Audit Committee	Chairman of the committee: Xu Nianhang Committee members: Zhu Guilong, Zhu Qianyu, Chen Lin, Cheng Xibao	4	April 2, 2021	Reviewed and approved "Changes in Accounting Policies", "Financial Final Report2020", and "Internal Control Evaluation Report2020".	During the report period, the Audit Committee provided advice and suggestions on guiding the internal audit work, supervising and evaluating external audit institutions, as well as effective internal control mechanism establishing, and actively safeguarded the interests of the Company and all shareholders.	Nil	Nil
			April 13, 2021	Reviewed and approved "The First Quarter Report 2021".		Nil	Nil
			August 13, 2021	Reviewed and Approved "The Semi-annual Report 2021".		Nil	Nil
			October 19, 2021	Reviewed and approved "The Third Quarter 2021" and "Appointment of the Audit Institution for the Year 2021".		Nil	Nil
Remuneration and Assessment Committee	Chairman of the committee: Zhu Guilong Committee members: Xu Nianhang, Zhu Qianyu, Chen Lin, Cheng Jinggang	1	April 2, 2021	Reviewed and approved the remuneration of directors, supervisors and senior executives of CSG in 2020	During the report period, the Remuneration and Assessment Committee carefully examined and approved the remuneration of directors, supervisors and senior executives and earnestly performed relevant responsibilities.	Nil	Nil
Nomination Committee	Chairman of the committee: Zhu Qianyu Committee members: Zhu Guilong, Xu Nianhang, Chen Li, Wang Jian	1	April 2, 2021	Evaluated the performance of the directors in 2020.	During the report period, the Nomination Committee effectively evaluated the performance of directors and earnestly performed relevant responsibilities.	Nil	Nil

VIII. Work Summary of the Supervisory Committee

Did the Supervisory Committee find any risk involved in performing the supervision activities in the report period

Yes No

The Supervisory Committee had no objection to the supervision matters during the report period.

IX. Employees

1. Number, Professional Composition and Education Background of Employees

Number of employees in the parent company (person)	503 ^(Note)
Number of employees in major subsidiaries of the Company (person)	11,407
Total number of employees (person)	11,910
Total number of employees received salaries in the period (person)	11,910
Number of retired employees whose costs borne by the parent company and its main subsidiaries (person)	0
Professional composition	
Category of profession composition	Number of profession composition (person)
Production personnel	8,095
Salesman	734
Technician	1,973
Financial personnel	135
Administrative personnel	973
Total	11,910
Education background	
Category of education background	Number (person)
Doctor	9
Master	164
Undergraduate	2,707
Junior college	2,300
Degree below junior college	6,730
Total	11,910

Note: Among them, there are 321 employees sent by the headquarters to the subsidiary.

2. Staff remuneration policy

In 2021, the Company continue to emphasize the principle of "Performance Orientation" in compensation management, through strengthening the concept of organizational performance and strengthening the application of performance results, we advocate that salary incentives should be inclined to high-performing organizations and high-performing individuals, to improve the work enthusiasm of employees, and then improve the overall performance of the organization, to achieve the business objectives.

3. Staff training plan

The Company has always attached great importance to the talent team construction and staff training and development. Every year, the Company sets up a special fund for the employees' skills training, capacity development and quality improvement. The Company has established a comprehensive training and development system for all kinds of employees, and developed personalized training and development systems for senior, middle and grass-roots employees, so as to stimulate the drive of employees, enhance the competitiveness of the enterprise, and provide a strong guarantee for the development of CSG Group. Based on the strategy of sustainable development of human resources, the Company will continue to deepen the scientific and systematic operation of training and development, so as to energize, promote management and increase benefits, and achieve a win-win situation for the growth of employees and the development of the enterprise.

4. Labor outsourcing

Applicable Not applicable

X. Profit Distribution and Reserve Capitalization

Preparation, implementation or adjustment of the policy for profit distribution, especially the policy for cash dividend distribution in the report period

Applicable Not applicable

The profit distribution plan for 2020 was approved by Annual General Shareholders' Meeting of 2020 held on 7 May 2021 which distributed distributing cash dividend of RMB 1 (tax included) for every 10 shares to all shareholders. Notice of the distribution was published on China Securities Journal, Securities Times, Shanghai Securities News and Hong Kong Commercial Daily on 9 June 2021, and the profit had been distributed.

Special explanation on cash dividend policy	
Satisfy regulations of General Meeting or requirement of Article of Association (Yes/No)	Yes
Well-defined and clearly dividend standards and proportion (Yes/No)	Yes
Completed relevant decision-making process and mechanism (Yes/No)	Yes
Independent directors perform duties completely and play a proper role (Yes/No)	Yes
Minority shareholders have ample opportunities and their legitimate rights and interests are effectively protected (Yes/No)	Yes
Condition and procedures are compliance and transparent while the cash bonus policy adjusted or changed (Yes/No)	Yes

The Company gains profits in the report period and the retained profit of parent company is positive but no plan of cash dividend proposed

Applicable Not applicable

Proposal of profit distribution preplan or share conversion from capital public reserve in the report period

Applicable Not applicable

Distributing bonus shares for every 10 shares (share)	0
Distributing cash dividend for every 10 shares (tax included) (RMB)	2
Shares added for every 10-share base (Share)	0
Equity base for distribution preplan (share)	3,070,692,107
Total amount distribution in cash (RMB) (tax included)	614,138,421
Cash dividend amount in other ways (such as repurchasing shares) (RMB)	0
Total cash dividends (including other methods) (RMB)	614,138,421
Profit available for distribution (RMB)	1,765,173,270
Cash distributing accounted for the proportion of the total amount of profit distribution (including other methods)	100%

Particular about cash dividend in the period

If the Company's development stage is not easy to distinguish but there are major capital expenditure arrangements, when the profit is distributed, the proportion of cash dividends in this profit distribution should be at least 20%.

Details of proposal of profit distribution preplan or share conversion from capital public reserve

According to the financial report audited by Asia Pacific (Group) CPAs (special general partnership), the net profit attributable to equity holders of the Company in consolidated statement was RMB 1,529,329,304 in 2021, and the net profit of the parent company's financial statements was RMB 1,079,390,875.

Since cash dividend distribution bases on the distributable profit of parent company, the Company took 10% of the net profit as stationary surplus reserve which was RMB 107,939,088 based on the net profit RMB 1,079,390,875 of parent company statement 2021. The allocation for Shareholders in 2021 was RMB 1,765,173,270.

The deliberated and approved plan of profit distribution in the Board Meeting is distributing cash dividend of RMB 2 yuan (tax included) for every 10 shares to all shareholders based on 3,070,692,107 shares of the total currently share capital., and the total amount distribution is RMB 614,138,421 (including tax).The actual amount of the cash dividend distributed will be determined according to the total share capital on the registration date of the Company's implementation of the profit distribution plan.

The profit distribution plan complies with the "Company Law", "Listed Company Supervision Guidelines No. 3-Cash Dividends for Listed Companies", the "Articles of Association" and the company's shareholder return plan, and other relevant regulations. It is in line with the company's actual situation and future development plans, as well as taking into account the interests of shareholders.

The above profit distribution proposal must be submitted to the 2021 Annual General Meeting of shareholders.

XI. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

Applicable Not applicable

During the report period, the Company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and the implementation.

XII. Construction and Implementation of the Internal Control System during the Reporting Period

1. Construction and Implementation of the Internal Control System

During the report period, the Company established a sound and complete internal control management system in accordance with the requirements of the Company Law, the Securities Law, the Basic Norms for Enterprise Internal Control and other internal control regulatory rules, oriented by risk management, and operated it effectively. It strengthened and standardized its internal control which ensured the standardized operation of the Company and improved the management level and efficiency of the Company, promoting the sustainable development of the Company and protecting the legitimate rights and interests of investors.

2. Particular case found involving material defects in the internal control during the reporting period

Yes No

XIII. Management and Control of the Subsidiaries during the Report Period

During the report period, by establishing an effective internal control mechanism and implementing the internal control management plan, the internal operation supervision of subsidiaries was strengthened; by establishing a sound internal control system of subsidiaries, the implementation and continuous improvement was promoted; by carrying out process monitoring and special evaluation, the process risk management of subsidiaries was strengthened; by organizing the internal control publicity and training of subsidiaries, a good internal control environment was created; by supervising the key businesses of subsidiaries, the legal compliance, reliability of financial reports, asset safety and operation efficiency of subsidiaries was guaranteed.

XIV. Internal Control Self-assessment Report or Internal Control Audit Report

1. Particulars about significant defects found in the internal control during the report period

1. Self-assessment Report of the Internal Control

Disclosure date of full text of self-appraisal report of internal control	April 25, 2022	
Disclosure index of full text of self-appraisal report of internal control	More details found in "Report of Internal Control of CSG for year of 2021" published on Juchao Website (www.cninfo.com.cn)	
The ratio of the total assets of the units included in the scope of evaluation to the total assets of the Company's consolidated financial statements		93%
The ratio of the operating income of the units included in the scope of evaluation to the operating income of the Company's consolidated financial statements		98%
Standards of Defects Evaluation		
Category	Financial Reports	Non-financial Reports
Qualitative criteria	Major defects: A. Fraud of directors, supervisors and senior management; B. Ineffective control environment; C. Invalid internal supervision;	Major defects: A. Major decision-making mistakes caused by decision-making process of key business;

	<p>D. Major internal control defects found and reported to the management but haven't been corrected after a reasonable time;</p> <p>E. Material misstatements are found by the external audit but haven't been found in the process of internal control;</p> <p>F. Financial reports submitted during the reporting period completely cannot meet the needs and are severely punished by regulatory agencies;</p> <p>G. Other major defects that may affect the report users' correct judgment.</p> <p>Significant defects:</p> <p>A. Defects or invalidation of important financial control procedures;</p> <p>B. Significant misstatements are found by the external audit but haven't been found in the process of internal control;</p> <p>C. Financial reports submitted during the reporting period have mistakes frequently;</p> <p>D. Other significant defects that may affect the report users' correct judgment.</p> <p>Common defects: Other control defects except for major defects and significant defects.</p>	<p>B. Serious violation of state laws and regulations;</p> <p>C. Serious brain drain of senior and middle management and or personnel at key technological posts;</p> <p>D. Major or significant defects found in the internal control evaluation have not been rectified and reformed;</p> <p>E. The company's major negative news frequently appears on media;</p> <p>Significant defects:</p> <p>A. Big deviation of execution caused by executive routine of key business;</p> <p>B. Regulatory authorities impose large amount of fines because the violation of laws and regulations;</p> <p>C. Defects or invalidation of important business' internal control procedures;</p> <p>Common defects: Other control defects except for major defects and significant defects.</p>
Quantitative standard	<p>Major defects:</p> <p>A. Amount of net profit affected by misstatements (based on consolidated statements): amount affected by misstatements is equal to or greater than 3% of net profit and the absolute amount is no less than 30 million yuan;</p> <p>B. Amount of assets and liabilities affected by misstatements (based on consolidated statements): amount affected by misstatements is equal to or greater than 1% of total assets.</p> <p>Significant defects:</p> <p>A. Amount of net profit affected by misstatements (based on consolidated statements): not belong to major defects and amount affected by misstatements is equal to or greater than 2% of net profit and the absolute amount is no less than 20 million yuan;</p> <p>B. Amount of assets and liabilities affected by misstatements (based on consolidated statements): amount affected by misstatements is equal to or greater than 0.5% of total assets but less than 1% of total assets.</p> <p>Common defects: Defects except for major and significant defects.</p>	<p>Major defects:</p> <p>A. Amount of direct property loss: the direct loss amount is equal to or greater than 30 million yuan;</p> <p>B. Group's reputation: major negative news spreads in numerous business areas or is widely reported by national media and causes significant damages to the corporate reputation which takes more than six months to be restored.</p> <p>Significant defects:</p> <p>A. Amount of direct property loss: the direct loss amount is equal to or greater than 20 million yuan but less than 30 million yuan;</p> <p>B. Group's reputation: negative news spreads inside the industry or is reported or focused by local media and causes certain damages to the corporate reputation which takes more than three months but less than six months to be restored.</p> <p>Common defects:</p> <p>A. Amount of direct property loss: defects except for major and significant defects.</p> <p>B. Group's reputation: negative news spreads within the group and causes minor damages to the corporate reputation which takes less than three months to be restored.</p>
Amount of significant defects in financial reports		0
Amount of significant defects in non-financial reports		0

Amount of important defects in financial reports	0
Amount of important defects in non-financial reports	0

2. Audit report of internal control

Applicable Not applicable

Deliberations in Internal Control Audit Report	
According to Guidelines of Enterprise Internal Control Audit and the relevant requirements of CICPA auditing standards, Asia Pacific (Group) CPAs (special general partnership) (hereinafter referred to as AP) audited the effectiveness of internal control over financial statements of the Company up to 31 December 2021, issued AP Ya-Kuai-A-Zhuan-Zi (2022) 01320008 Internal Control Audit Report and made the following opinions: AP thought that CSG Holding Co., Ltd. maintained effective internal control over financial statements in all major aspects according to the Fundamental Norms of Enterprise Internal Control and relevant rules on December 31, 2021.	
Disclosure of internal control audit report	Disclosure
Date of disclosing the internal control audit reports	25 April 2022
Disclosure index of internal control audit report	More details can be found in 2021 Internal Control Audit Report of CSG released on Juchao Website (www.cninfo.com.cn)
Type of the auditor's opinion	Standard unqualified opinion
Whether there are major flaws in the non-financial report or not	No

Whether the CPAs firm issued an Audit Report on Internal Control with non-standard opinion or not

Yes No

Whether the Audit Report on Internal Control from the CPAs firm is in consistent with the Self-appraisal Report from the Board or not

Yes No

XV. Rectification of the Problems Found in the Self-inspection during the Special Campaign to Improve the Governance of Listed Companies

During the report period, in accordance with the spirit of the CSRC's "Announcement on Launching Special Campaign to Improve the Governance of Listed Companies" (CSRC Announcement [2020] No. 69) and other documents, the Company fully completed the special self-inspection work according to the special self-inspection list for governance of listed companies. After internal self-examination, the Company had not found any major deficiencies and risks in standardized operation, and its corporate governance complied with the requirements specified in the "Company Law", "Governance Guidelines for Listed Companies", "Guidelines on the Articles of Association of Listed Companies" and other laws and regulations with quite complete governance structure and law-compliance operation.

Section V. Environment and social responsibility

I. Major environmental issues

The Company needs to comply with the disclosure requirements of non-metal building materials related industries in "Shenzhen Stock Exchange Listed Companies Self-discipline Supervision Guide No. 3 - Industry Information Disclosure" Environmental protection related policies and industry standards

The Company implements the "Environmental Protection Law of the People's Republic of China", "the Law of the People's Republic of China on the Prevention and Control of Air Pollution", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution", the "Law of the People's Republic of China on the Prevention and Control of Noise Pollution", and the "Environmental Protection Tax Law of the People's Republic of China " and other relevant environmental protection laws and regulations, and implements the "Flat Glass Industry Air Pollutant Emission Standard", "Electronic Glass Working Air Pollutant Emission Standard", "Air Pollutant Comprehensive Emission Standard", "Sewage Comprehensive Emission Standard", "Environmental Noise Emission Standards at the Boundary of Industrial Enterprises" and other national, industry and local pollutant discharge standards.

Administrative license for environmental protection

The construction projects of each subsidiary carried out environmental impact assessment work and obtain EIA approval in strict accordance with the requirements of the "Environment Impact Assessment Law of the People's Republic of China" and the "Catalogue of Classified Management of Environmental Impact Assessment of Construction Projects". During the construction of the project, the construction of pollution prevention and control facilities shall be carried out in strict accordance with the requirements of the project "three simultaneous" and put into production and use at the same time as the main project. During the trial production period, the inspection and acceptance shall be organized in accordance with the relevant regulations on environmental protection acceptance of the completion of the construction project in order to ensure that the construction project completes the inspection and acceptance work before it is officially put into operation.

All subsidiaries have obtained the pollutant discharge permit and are within the validity period, and regularly submit the implementation report of pollutant discharge permit.

Industrial emission standards and specific conditions of pollutant emission involved in production and operation activities

Name of Company or subsidiary	Names of main pollutants and characteristic pollutants	Way of emission	Number of Exhaust vent	Exhaust vent distribution	Emission concentration	Implementation of pollutant emission standards	Total emission	Approved total emission	Excessive emissions
Xianning CSG Glass Co., Ltd.	Dust	Continuous/Intermittent	16	Production plant area	$\leq 30\text{mg}/\text{m}^3$	《Emission standard of air pollutants for flat glass industry》(GB26453-2011)	Particulates: 22.78t	Particulates: 96.82t/a	N/A
	Soot				$\leq 25\text{ mg}/\text{m}^3$				
	SO ₂				$\leq 200\text{ mg}/\text{m}^3$				
	NO _x				$\leq 350\text{ mg}/\text{m}^3$				
Chengdu CSG Glass Co., Ltd	Dust	Continuous/Intermittent	15	Production plant area	$\leq 20\text{mg}/\text{m}^3$	《Emission standard	Particulates: 28.68t	Particulates: 142.114t/a	N/A
	Soot				$\leq 20\text{mg}/\text{m}^3$				

	SO ₂				≤200mg/m ³	of air pollutants for flat glass industry》(GB26453-2011)	274.3t	1136.917t/a			
	NOx				≤350mg/m ³		513.53t	1989.609t/a			
Hebei CSG Glass Co., Ltd.	Dust	Continuous/Intermittent	16	Production plant area	≤10mg/m ³	《Ultra low emission standard of air pollutants for flat glass industry》(DB13/2168-2020)	Particulates: 6.783t	Particulates: 59.78t/a	N/A		
	Soot				≤10mg/m ³						
	SO ₂				≤50mg/m ³						
	NOx				≤200mg/m ³						
Wujiang CSG Glass Co., Ltd.	Dust	Continuous/Intermittent	39	Production plant area	≤15mg/m ³	《Emission standard of air pollutants for flat glass industry》(GB26453-2011)	Particulates: 23.19t	Particulates: 76.91t/a	N/A		
	Soot				≤15mg/m ³						
	SO ₂				≤50 mg/m ³						
	NOx				≤150 mg/m ³						
Dongguan CSG Solar Glass Co., Ltd.	Dust	Continuous/Intermittent	22	Production plant area	≤20mg/m ³	《Emission standard of air pollutants for flat glass industry》(DB 44-2159-2019)	Particulates: 12.86t	Particulates: 34.85t/a	N/A		
	Soot				≤20mg/m ³						
	SO ₂				≤400 mg/m ³						
	NOx				≤550 mg/m ³						
Dongguan CSG Architectural Glass Co., Ltd.	pH	Intermittent	1	Sewage vent	6~9	《Guangdong Province water pollutant emission limit》(DB44/26-2001)	/	/	N/A		
	COD				5 mg/L		0.149t	5.4t/a			
	Ammonia nitrogen				0.424mg/L		0.013t	0.6t/a			
Dongguan CSG PV-tech Co., Ltd.	COD	Intermittent	20	Sewage vent, Production plant area	≤70 mg/L	《Guangdong Province water pollutant emission limit》(DB44/26-2001)	1.98t	2.44t/a	N/A		
	NOx				≤30mg/m ³					10.21t	33.15t/a
	VOC _s				VOC _s ≤30mg/m ³						
Hebei Panel Glass Co., Ltd.	Dust	Continuous/Intermittent	5	Production plant area	≤30mg/m ³ ;	《Pollutant emission standard for Electric Glass industry》(GB29495-2013)	Particulates: 0.149t	Particulates: 8.2125t/a	N/A		
	Soot				≤10 mg/m ³						
	SO ₂				≤50 mg/m ³						
	NOx				≤200mg/m ³						
Yichang CSG Display Co., Ltd.	COD	Intermittent	2	Sewage vent; Production plant area	≤500mg/L	《Sewage Integrated Emission Standards》Level 3 Standard (GB8978-1996)	95.84t	99.5t/a	N/A		
	NOx				<240mg/m ³					《The Integrated Emission Standard of Air Pollutants》(GB16297-1996)	3.2t
Xianning CSG Photovoltaic Glass Co., Ltd.	Dust	Continuous/Intermittent	6	Production plant area	≤20mg/m ³	《Electrical Glass Industry Air Pollutant Emission Standards》(GB29495-2013)	Particulates: 1.962t	Particulates: 17.656t/a	N/A		
	Soot				≤15 mg/m ³						
	SO ₂				≤10 mg/m ³						
	NOx				≤330 mg/m ³						

Treatment of pollutants

All subsidiaries have built pollution prevention and control facilities in accordance with the environmental impact assessment documents of construction projects and relevant specifications, and adopted air pollution control process such as electrostatic precipitator + SCR denitrification + semi-dry desulfurization + bag dust removal, ceramic filter cartridge desulfurization, denitrification and dust removal integration, bag dust removal and water treatment process such as neutralization + precipitation, fluidized bed, and biological oxidation, for which the technologies used are all in line with the requirements of the "Guidelines for Feasible Technologies for Pollution Prevention and Control in Glass Manufacturing Industry" and other documents. During 2021, the pollution control facilities were in good operation and the pollutants were discharged stably up to the standard. The air pollutant emission concentrations of most of the subsidiaries were lower than 50% of the emission standard and enjoyed the preferential policy of halving environmental tax. The pollutant emissions of many subsidiaries reached and implemented local ultra-low emission standards.

Environmental self-monitoring scheme

The subsidiaries have built and operated on-line monitoring devices for waste water and exhaust gas in accordance with national laws and regulations, environmental impact assessment documents of construction projects and the requirements of their replies, regularly carried out comparison and review of the effectiveness of on-line monitoring facilities, and entrusted a third-party unit to carry out manual environmental monitoring to comprehensively monitor the pollutant discharge. The monitoring frequency is implemented in accordance with relevant monitoring technical guidelines or pollutant discharge permits.

Emergency response plan system of environment incident

In accordance with the national requirements, all subsidiaries prepared emergency environmental response plan for environment incident, organized and carried out expert evaluation and filed with the local environmental protection department as required, and conducted the emergency drill against environmental incidents as planned. And there were no major environmental incidents occurred in 2021.

Investment in environmental governance and protection and payment of environmental protection tax

CSG has always attached great importance to environmental protection work, actively fulfilled its social responsibilities, and adhered to the development path of energy conservation, emission reduction, low carbon and environmental protection. To reduce the generation of pollutants from the source, all glass kilns use natural gas as fuel, by which it is the first enterprise in glass industry to use clean energy completely as fuel.

The subsidiaries have constructed pollution prevention and control facilities in accordance with the environmental impact assessment documents of construction projects and relevant specifications, and put them into production and use at the same time as the main works of the construction projects. In recent years, the Group has invested a lot of funds to improve the level of environmental protection and pollution control. Since 2018, it has invested heavily in the construction of desulfurization facilities and backup denitrification facilities every year, by which, the concentration and total amount of pollutant emissions have further dropped significantly, many subsidiaries have reached and implemented local ultra-low emission standards (particulate matter $\leq 10\text{mg}/\text{m}^3$, NOX $\leq 200\text{mg}/\text{m}^3$, SO₂ $\leq 50\text{mg}/\text{m}^3$), and other subsidiaries' pollutant emissions have been far lower than the national emission standards (particulate matter $\leq 50\text{mg}/\text{m}^3$, NOX $\leq 700\text{mg}/\text{m}^3$, SO₂ $\leq 400\text{mg}/\text{m}^3$).

Enterprises involved in directly discharging pollutants into the environment have declared and paid environmental taxes to the local tax authorities in full and on time.

Measures taken to reduce carbon emissions during the report period and their effects

Applicable Not applicable

The Company has continuously strengthened the comprehensive utilization and management of resources and energy. The Group's Operation Department has specially established an energy management team to supervise the energy consumption management of each subsidiary to ensure that the energy consumption per unit product of glass melting furnace of the same tonnage and the same kiln age is always at the leading level in the industry. CSG has always focused on energy-saving technology, system construction, publicity and training to promote the participation of all staff in energy conservation and emission reduction, cost reduction and efficiency increase. In 2021, the energy consumption of the main business units of the Group further decreased. The Company has established waste heat power stations and photovoltaic power stations in production bases according to local conditions. In 2021, the self-generating capacity of waste heat power generation and photovoltaic power generation of the Company has been close to 400 million kwh, equivalent to reducing carbon dioxide emissions by more than 360,000 tons.

Administrative penalty imposed by environmental protection department

Nil

Other environmental information that should be disclosed

Nil

Environmental incidents in the listed company

Nil

II. Social Responsibility

2021 Annual Social Responsibilities Report of CSG is the 14th annual report released by the Company consecutively. The report focusing on the year of 2021, systemically formulated the Company concrete actions of how to positively perform the social responsibilities, and the efforts to implement the “Scientific Development Perspective”, building up a harmonious society, and advancing the sustainable development of economy and society. See the full report on www.cninfo.com.cn.

III. Consolidate and expand the achievements of poverty alleviation and Rural Revitalization

During the report period, the Company and its subsidiaries actively carried out social welfare and poverty alleviation activities. For details, see the 2021 Annual Social Responsibilities Report of CSG disclosed on www.cninfo.com.cn.

Section VI. Important Events

I. Implementation of commitment

1. Commitments completed by the actual controllers, the shareholders, the related parties, the purchasers, the Company or the other related parties during the report period and those hadn't been completed execution by the end of the report period

√Applicable □ Not applicable

Commitments	Promisee	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform	The original non-tradable shareholder Shenzhen International Holdings (SZ) Limited and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd. <small>Note 1</small>	Commitment of share reduction	The Company has implemented share merger reform in May 2006. Till June 2009, the share of the original non-tradable shareholders which holding over 5% total shares of the Company had all released. Therein, the original non-tradable shareholder Shenzhen International Holdings (SZ) Limited and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd. both are wholly-funded subsidiaries to Shenzhen International Holdings Limited (hereinafter Shenzhen International for short) listed in Hong Kong united stock exchange main board. Shenzhen International made commitment that it would strictly carry out related regulations of Securities Law, Administration of the Takeover of Listed Companies Procedures and Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions issued by CSRC during implementing share decreasingly-held plan and take information disclosure responsibility timely.	2006-5-22	N/A	By the end of the report period, the above shareholders of the Company had strictly carried out their promises.

Commitments in report of acquisition or equity change	Foresea Life Insurance Co., Ltd, Shenzhen Jushenghua Co., Ltd. ^{Note 2} and Chengtai Group Co., Ltd.	Commitment of horizontal competition, affiliate Transaction and capital occupation	Foresea Life Insurance Co., Ltd., Shenzhen Jushenghua Co., Ltd. and Chengtai Group Co., Ltd. issued detailed report of equity change on 29 June 2015, in which, they undertook to keep independent from CSG in aspects of personnel, assets, finance, organization set-up and business as long as Foresea Life Insurance remained the largest shareholder of CSG. Meanwhile, they made commitment on regularizing related transaction and avoiding industry competition.	2015-6-29	During the period when Foresea Life remains the largest shareholder of the Company	By the end of the report period, the above shareholders of the Company had strictly carried out their promises.
Commitments in assets reorganization	Not applicable					
Commitments in initial public offering or re-financing	Not applicable					
Equity incentive commitment	Not applicable					
Other commitments for medium and small shareholders	Not applicable					
Completed on time(Yes/No)	Yes					
If the commitments is not fulfilled on time, explain the reasons and the next work plan	Not applicable					

Note 1: Shenzhen International Holdings (SZ) Limited and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd. reduced their total holdings of 39.1732 million shares of the Company from June 15, 2021 to July 12, 2021, accounting for more than 1% of the total share capital of the Company. After this reduction, the above shareholders no longer held the shares of the Company. In this reduction, the above shareholders complied with relevant regulations, timely fulfilled the obligation of information disclosure and strictly fulfilled relevant commitments.

Note 2: Shenzhen Jushenghua Co., Ltd. transferred its 86,633,447 unrestricted tradable A shares of CSG Group to its wholly-owned sub-subsidiary Zhongshan Runtian Investment Co., Ltd. through agreement transfer on March 16, 2020. Zhongshan Runtian Investment Co., Ltd. is obliged to continue to fulfill the commitments made by Shenzhen Jushenghua Co., Ltd. As of the end of the report period, the above-mentioned shareholders had strictly fulfilled the relevant commitments.

2. If there are assets or projects of the Company, which has profit forecast and the report period is still in forecasting period, the Company should explain reasons why they reach the original profit forecast

Applicable Not applicable

II. Particulars about non-operating fund of listed company which is occupied by controlling shareholder and its affiliated enterprises

Applicable Not applicable

III. Illegal external guarantee

Applicable Not applicable

The Company had no illegal external guarantee during the report period.

IV. Explanation from the Board of Directors for the latest “Non-standard audit report”

Applicable Not applicable

V. Explanation from Board of Directors, Supervisory Committee and Independent Directors (if applicable) for “Non-standard audit report” of the period that issued by CPA

Applicable Not applicable

VI. Explanation of changes in accounting policies, accounting estimates or correction of significant accounting errors compared with the financial report of the previous year

Applicable Not applicable

The content and reason of accounting policy change	Approval procedures
The Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 21 - Leases in December 2018 (hereinafter referred to as the "New Lease Standards"), which was implemented by the Group and the Company from January 1, 2021. For contracts existing before the first execution date, the Group and the Company chose not to reassess whether they were leases or including leases. The Group and the Company adjusted the amount of retained earnings and other relevant items in the financial statements at the beginning of the year of initial implementation according to the cumulative impact of initial implementation, and did not adjust the information of comparable periods. The implementation of the new lease standards was not expected to have a significant impact on the financial statements.	The 4th Meeting of the Ninth Board of Directors held on April 13, 2021 deliberated and passed the Proposal on Accounting Policy Changes.

VII. Description of changes in consolidation statement’s scope compared with the financial report of last year

Applicable Not applicable

On 19 April 2021, the Group set up a subsidiary, Xi'an CSG Energy Saving Glass Technology Co., Ltd. (referred to as "Xi'an Energy Saving Company"). As of 31 December 2021, the Group had invested RMB 1,000,000. The Group owns 100% of its equity.

On 25 June 2021, the Group set up a subsidiary, Anhui CSG Silicon Valley Mingdu Mining Development Co., Ltd. (referred to as "Anhui Silicon Valley Mingdu Mining Company"). As of 31 December 2021, the Group had invested RMB 3,000,000. The Group owns 60% of its equity.

On 9 October 2021, the Group set up a subsidiary, Guangxi CSG New Energy Materials Technology Co., Ltd. (referred to as "Guangxi New Energy Materials Company"). As of 31 December 2021, the Group had invested RMB 31,000,000. The Group owns 100% of its equity.

On 4 November 2021, the Group set up a subsidiary, Qinghai CSG Sunrise New Energy Technology Co., Ltd. (referred to as "Qinghai CSG New Energy"). As of 31 December 2021, the Group had not invested yet. The Group owns 100% of its equity.

On 8 December 2021, the Group set up a subsidiary, Hefei CSG Energy Saving Material Intelligent Manufacturing Co., Ltd. (referred to as "Hefei Energy Saving Company"). As of 31 December 2021, the Group had not invested yet. The Group owns 100% of its equity.

On 9 December 2021, the Group set up a subsidiary, Shenzhen CSG New Energy Industry Development Co., Ltd. (referred to as "Shenzhen CSG New Energy"). As of 31 December 2021, the Group had not invested yet. The Group owns 100% of its equity.

On 13 December 2021, the Group set up a subsidiary, Zhaoqing CSG New Energy Technology Co., Ltd. (referred to as "Zhaoqing CSG New Energy"). As of 31 December 2021, the Group had not invested yet. The Group owns 100% of its equity.

VIII. Engaging and dismissing of CPA firm

CPA firm engaged

Name of domestic CPA firm	Asia Pacific (Group) CPAs (special general partnership)
Remuneration for domestic CPA firm (RMB 0,000)	300
Continuous life of auditing service for domestic CPA firm	4
Name of domestic CPA	Zhou Xianhong, Wu Yiluo
Continuous life of auditing service for domestic CPA	Zhou Xianhong (4 years), Wu Yiluo (1 year)

Whether changed accounting firms in this period or not

Yes No

Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable

Asia Pacific (Group) CPAs (special general partnership) was engaged as audit institute of internal control for the Company in the report period, and contracted charges was RMB 0.30 million (cost of business trips and accommodation at its own expense).

IX. Delisting after the disclosure of the annual report

Applicable Not applicable

X. Issues related to bankruptcy and reorganization

Applicable Not applicable

XI. Significant lawsuits and arbitrations

Applicable Not applicable

XII. Penalty and rectification

Applicable Not applicable

XIII. Integrity of the Company and its controlling shareholders and actual controllers

Applicable Not applicable

XIV. Major related transaction**1. Related transaction with routine operation concerned**

Applicable Not applicable

2. Related transaction with acquisition of assets or equity, sales of assets or equity concerned

Applicable Not applicable

3. Related transaction with jointly external investment concerned

Applicable Not applicable

4. Credits and liabilities with related parties

Applicable Not applicable

5. Transactions with related financial companies

Applicable Not applicable

6. Transactions between financial companies controlled by the company and related parties

Applicable Not applicable

7. Other major related transaction

Applicable Not applicable

XV. Significant contracts and their implementation

1. Trusteeship, contracting and leasing

(1) Trusteeship

Applicable Not applicable

(2) Contract

Applicable Not applicable

(3) Leasing

Applicable Not applicable

2. Major guarantees

Applicable Not applicable

Unit: RMB 0,000

External guarantee of the Company and its subsidiaries (barring the guarantee for subsidiaries)								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)
Total amount of approving external guarantee in report period (A1)		0		Total amount of actual occurred external guarantee in report period (A2)			0	
Total amount of approved external guarantee at the end of report period (A3)		0		Total balance of actual external guarantee at the end of report period (A4)			0	
Guarantee of the Company for the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)
Xianning CSG Photovoltaic Glass Co., Ltd.	2016/08/16	30,000	2017/01/03	7,630	Joint liability guarantee	5 years	Yes	No
Xianning CSG Photovoltaic Glass Co., Ltd.	2020/12/05	3,000	2021/02/07	2,603	Joint liability guarantee	1 year	No	No
Xianning CSG Photovoltaic Glass Co., Ltd.	2020/12/19	5,000	2021/03/22	4,500	Joint liability guarantee	1 year	No	No
Xianning CSG Energy-Saving Glass Co., Ltd.	2020/04/30	3,000	2020/07/10	2,000	Joint liability guarantee	1 year	Yes	No
Xianning CSG Energy-Saving Glass Co., Ltd.	2021/02/19	5,000	2021/09/24	1,500	Joint liability guarantee	1 year	No	No
Yichang Nanbo Photoelectric Glass Co., Ltd.	2021/02/19	1,824	2021/03/19	1,200	Joint liability guarantee	1 year	No	No
Yichang Nanbo Photoelectric Glass Co., Ltd.	2021/08/10	1,824	2021/12/17		Joint liability guarantee	1 year	No	No
Dongguan CSG PV-tech Co., Ltd.	2021/08/10	3,000	2021/11/29		Joint liability guarantee	1 year	No	No
Dongguan CSG PV-tech Co., Ltd.	2021/08/10	10,000	2021/08/13	4,077	Joint liability guarantee	1 year	No	No
Dongguan CSG PV-tech Co., Ltd.	2020/03/06	5,500	2020/04/14	2,000	Joint liability guarantee	1 year	Yes	No
Hebei Panel Glass Co., Ltd.	2021/02/19	3,000			Joint liability guarantee	1 year	No	No
Hebei Panel Glass Co., Ltd.	2021/10/30	16,500	2021/12/17	318	Joint liability guarantee	5 years	No	No
Hebei CSG Glass Co., Ltd.	2021/02/19	5,000			Joint liability guarantee	1 year	No	No

Dongguan CSG Architectural Glass Co., Ltd.	2021/06/29	5,000	2021/09/13		Joint liability guarantee	2 years	No	No
Xianning CSG Glass Co., Ltd.	2020/12/05	4,000	2021/02/08	2,000	Joint liability guarantee	1 year	No	No
Xianning CSG Glass Co., Ltd.	2021/12/25	15,000			Joint liability guarantee	7 years	No	No
Xianning CSG Glass Co., Ltd.	2021/12/25	50,000			Joint liability guarantee	7 years	No	No
Xianning CSG Glass Co., Ltd.	2021/06/29	20,000	2021/07/07	20,000	Joint liability guarantee	5 years	No	No
Chengdu CSG Glass Co., Ltd.	2020/08/24	5,000	2020/08/24	4,500	Joint liability guarantee	1 year	Yes	No
Chengdu CSG Glass Co., Ltd.	2021/12/25	5,000			Joint liability guarantee	1 year	No	No
Chengdu CSG Glass Co., Ltd.	2021/02/19	5,000	2021/03/08		Joint liability guarantee	1 year	No	No
Sichuan CSG Energy Conservation Glass Co., Ltd.	2020/08/24	5,000	2020/08/24	4,500	Joint liability guarantee	1 year	Yes	No
Sichuan CSG Energy Conservation Glass Co., Ltd.	2021/12/25	8,000			Joint liability guarantee	1 year	No	No
Sichuan CSG Energy Conservation Glass Co., Ltd.	2021/02/19	5,000	2021/03/09	5,000	Joint liability guarantee	1 year	No	No
Sichuan CSG Energy Conservation Glass Co., Ltd.	2021/06/08	5,000	2021/08/24		Joint liability guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2021/02/19	10,000	2021/03/12	4,372	Joint liability guarantee	4 years	No	No
Wujiang CSG Glass Co., Ltd.	2021/02/19	10,000	2021/03/19	780	Joint liability guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2021/12/25	10,000	2022/02/17	747	Joint liability guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2021/02/19	5,000	2021/03/08		Joint liability guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2021/06/08	5,000	2021/09/26		Joint liability guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2021/02/19	10,000	2021/03/26		Joint liability guarantee	1 year	No	No
Dongguan CSG Architectural Glass Co., Ltd.	2020/06/24	6,000	2020/08/18	2,000	Joint liability guarantee	1 year	Yes	No
Dongguan CSG Architectural Glass Co., Ltd.	2021/10/30	10,000	2021/05/18	1,631	Joint liability guarantee	1 year	No	No
Dongguan CSG Architectural Glass Co., Ltd.	2021/02/19	10,000	2021/02/19	2,070	Joint liability guarantee	1 year	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2020/12/05	10,000	2020/12/09		Joint liability guarantee	1 year	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2021/02/19	7,000	2021/03/01	2,000	Joint liability guarantee	1 year	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2021/02/19	12,400	2021/05/19	2,572	Joint liability guarantee	5 years	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2021/12/25	3,000			Joint liability guarantee	2 years	No	No
Dongguan CSG Solar Glass Co., Ltd.	2021/08/10	10,000	2021/09/13	6,901	Joint liability guarantee	1 year	No	No
Dongguan CSG Solar Glass Co., Ltd.	2021/02/19	5,000	2021/03/08		Joint liability guarantee	1 year	No	No
Dongguan CSG Solar Glass Co., Ltd.	2021/02/19	7,132	2021/03/01		Joint liability guarantee	1 year	No	No
Dongguan CSG Solar Glass Co., Ltd.	2020/09/22	4,500	2020/11/11	919	Joint liability guarantee	3 years	Yes	No
Dongguan CSG Solar Glass Co., Ltd.	2021/10/30	20,000	2020/12/25	2,000	Joint liability guarantee	1 year	No	No
Dongguan CSG Solar Glass Co., Ltd.	2021/06/08	6,460	2021/07/07		Joint liability guarantee	1 year	No	No
Dongguan CSG Solar Glass Co., Ltd.	2020/04/30	5,000	2020/05/18		Joint liability guarantee	1 year	No	No
Qingyuan CSG New Energy-Saving Materials Co., Ltd.	2021/06/08	4,330	2021/08/25	1,425	Joint liability guarantee	1 year	No	No
Qingyuan CSG New Energy-Saving Materials Co., Ltd.	2021/08/10	4,500	2021/09/07		Joint liability guarantee	1 year	No	No
Qingyuan CSG New Energy-Saving Materials Co., Ltd.	2021/08/10	10,000	2021/08/31		Joint liability guarantee	1 year	No	No
Qingyuan CSG New Energy-Saving Materials Co., Ltd.	2021/12/25	5,000			Joint liability guarantee	1 year	No	No

Qingyuan CSG New Energy-Saving Materials Co., Ltd.	2019/12/10	50,000	2020/04/26	13,505	Joint liability guarantee	5 years	No	No
Qingyuan CSG New Energy-Saving Materials Co., Ltd.	2019/12/10	5,000	2020/04/26		Joint liability guarantee	1 year	No	No
Yichang CSG Display Co., Ltd.	2020/05/23	3,040	2020/06/22	2,800	Joint liability guarantee	1 year	Yes	No
Yichang CSG Display Co., Ltd.	2021/10/30	3,000	2021/12/01		Joint liability guarantee	1 year	No	No
Yichang CSG Display Co., Ltd.	2020/05/23	3,040	2020/05/29	3,000	Joint liability guarantee	1 year	Yes	No
Tianjin CSG Energy-Saving Glass Co., Ltd.	2021/06/08	3,000	2021/07/14		Joint liability guarantee	1 year	No	No
Tianjin CSG Energy-Saving Glass Co., Ltd.	2021/02/19	5,000	2021/03/30	3,987	Joint liability guarantee	1 year	No	No
Tianjin CSG Energy-Saving Glass Co., Ltd.	2021/02/19	7,000	2021/03/23	6,464	Joint liability guarantee	4 years	No	No
Tianjin CSG Energy-Saving Glass Co., Ltd.	2021/06/29	2,000	2021/11/26	82	Joint liability guarantee	1 year	No	No
Anhui CSG New Energy Material Technology Co., Ltd.	2021/08/10	70,000	2021/10/19	8,319	Joint liability guarantee	6 years	No	No
Anhui CSG New Energy Material Technology Co., Ltd.	2021/08/10	180,000	2021/08/28	25,800	Joint liability guarantee	7 years	No	No
Anhui CSG New Energy Material Technology Co., Ltd.	2021/12/25	50,000			Joint liability guarantee	9 years	No	No
Anhui CSG New Quartz Material Co., Ltd.	2021/06/29	9,000	2021/09/13	3,230	Joint liability guarantee	5 years	No	No
Zhaoqing CSG Energy-Saving Glass Co., Ltd.	2020/09/22	34,000	2020/09/25	18,446	Joint liability guarantee	5 years	No	No
China Southern Glass (Hong Kong) Limited	2020/02/25		2020/04/04	6,312	Joint liability guarantee	1 year	Yes	No
Dongguan CSG Architectural Glass Co., Ltd.	2021/06/29		2021/07/01	656	Joint liability guarantee	1 year	No	No
Dongguan CSG Solar Glass Co., Ltd.	2021/06/29		2021/07/01		Joint liability guarantee	1 year	No	No
Dongguan CSG PV-tech Co., Ltd.	2021/06/29		2021/07/01	661	Joint liability guarantee	1 year	No	No
Qingyuan CSG New Energy-Saving Materials Co., Ltd.	2021/06/29		2021/07/01	291	Joint liability guarantee	1 year	No	No
Anhui CSG New Energy Material Technology Co., Ltd.	2021/02/19		2021/04/12	19,371	Joint liability guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2021/02/19		2021/03/26	253	Joint liability guarantee	1 year	No	No
Chengdu CSG Glass Co., Ltd.	2021/06/29		2021/07/01		Joint liability guarantee	1 year	No	No
Sichuan CSG Energy Conservation Glass Co., Ltd.	2021/06/29	48,000	2021/07/01	312	Joint liability guarantee	1 year	No	No
Xianning CSG Glass Co., Ltd.	2021/06/09		2021/07/01		Joint liability guarantee	1 year	No	No
Xianning CSG Energy-Saving Glass Co., Ltd.	2021/06/09		2021/07/01	302	Joint liability guarantee	1 year	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2021/06/29		2021/07/01	539	Joint liability guarantee	1 year	No	No
Tianjin CSG Energy-Saving Glass Co., Ltd.	2021/06/29		2021/07/01	950	Joint liability guarantee	1 year	No	No
Hebei Panel Glass Co., Ltd.	2020/06/24				Joint liability guarantee	1 year	No	No
Dongguan CSG Jingyu New Material Co., Ltd.	2020/02/25				Joint liability guarantee	1 year	No	No
Xianning CSG Photovoltaic Glass Co., Ltd.	2020/02/25		2020/06/24	500	Joint liability guarantee	1 year	Yes	No
Zhaoqing CSG Energy-Saving Glass Co., Ltd.	2021/06/29				Joint liability guarantee	1 year	No	No
Total amount of approving guarantee for subsidiaries in report period (B1)		705,970	Total amount of actual occurred guarantee for subsidiaries in report period (B2)					134,084
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		801,970	Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)					168,864
Guarantee situation of subsidiaries to subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)

Total amount of approving guarantee for subsidiaries in report period (C1)	0	Total amount of actual occurred guarantee for subsidiaries in report period (C2)	0
Total amount of approved guarantee for subsidiaries at the end of reporting period (C3)	0	Total balance of actual guarantee for subsidiaries at the end of reporting period (C4)	0
Total amount of guarantee of the Company(total of three abovementioned guarantee)			
Total amount of approving guarantee in report period (A1+B1+C1)	705,970	Total amount of actual occurred guarantee in report period (A2+B2+C2)	134,084
Total amount of approved guarantee at the end of report period (A3+B3+C3)	801,970	Total balance of actual guarantee at the end of report period (A4+B4+C4)	168,864
The proportion of the total amount of actual guarantee in the net assets of the Company(that is A4+ B4+C4)		14.77%	
Including:			
Amount of guarantee for shareholders, actual controller and its related parties(D)	0		
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(E)	0		
Proportion of total amount of guarantee in net assets of the Company exceed 50%(F)	0		
Total amount of the aforesaid three guarantees(D+E+F)	0		
For the guarantee contract not yet due, guarantee responsibility incurred in the reporting period or there is evidence showing the description of the possible related discharge duty (if any)	N/A		
Explanations on external guarantee against regulated procedures(if any)	N/A		

Note: The Company carried out a "Bill Pool" business of 300 million yuan. The Company and its holding subsidiaries could adopt various guarantee methods such as maximum pledge, general pledge, deposit certificate pledge, bill pledge, and margin pledge for the establishment and use of the bill pool.

The Company held an extraordinary meeting of the Ninth Board of Directors on August 9, 2021, and held the Third Extraordinary General Meeting of Shareholders in 2021 on August 25, 2021 to deliberate and approve the "Proposal on Guarantee Matters", by which it agreed to provide irrevocable joint liability guarantee for Anhui CSG New Energy Materials Technology Co., Ltd. to apply for comprehensive credit to business related parties (including but not limited to banks and other financial institutions and other business partners), with an estimated guarantee amount not exceeding RMB 2.6 billion. As of December 31, 2021, the Company and China Merchants Bank Co., Ltd. Shenzhen Branch signed the "Maximum Irrevocable Guarantee Letter" to provide the subsidiary Anhui CSG New Energy Materials Technology Co., Ltd. with a maximum amount not exceeding the equivalent of RMB 1.8 billion. The Company signed the "Guarantee Contract" with Bank of China Co., Ltd. Chuzhou Branch to provide the subsidiary Anhui CSG New Energy Materials Technology Co., Ltd. with a maximum amount of financing credit guarantee not exceeding the equivalent of RMB 700 million.

Description of the guarantee with complex method

Nil

3. Entrust others to manage cash assets

(1) Entrusted Financing

√ Applicable □ Not applicable

Overview of entrusted financing during the report period

Unit: RMB 0,000

Type	Source of funds for entrusted financing	Amount of entrusted financing	Outstanding balance	Amount not collected after the due date	Amount of impairment accrued for overdue uncollected entrusted financing
Structured deposit	Own funds	100,000	99,960	0	0

Total	100,000	99,960	0	0
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Details of high-risk entrusted financing with significant single amount or low security and poor liquidity

Applicable Not applicable

Entrusted financing expected to be unable to recover the principal or other circumstances that may lead to impairment

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

The Company had no entrusted loans in the report period.

4. Other material contracts

Applicable Not applicable

XVI. Statement on other important matters

Applicable Not applicable

1. Ultra-short-term financing bills

On June 15, 2020, the Company the third extraordinary general meeting of shareholders 2020 deliberated and approved the proposal on application for registration and issuance of ultra-short-term financing bills and medium-term notes, which agreed that the Company should register and issue ultra-short-term financing bills with a registered amount not exceeding 1.5 billion yuan (the limit is not subject to the limit of 40% of net assets). With the period of validity of the quota not longer than two years, such ultra-short-term financing bills will be issued by installments in accordance with the actual capital needs of the Company and the situation of inter-bank market funds. On September 4, 2020, the NAFMII held its 102nd registration meeting in 2020 and decided to accept the registration of ultra-short-term financing bills with a total of 1.5 billion yuan and a validity period of two years.

2. Medium-term notes

On April 15, 2016, the Shareholders' General Meeting of 2015 of CSG deliberated and approved the proposal of application for registration and issuance of medium-term notes with total amount of RMB 0.8 billion, which could be issued by stages within period of validity of the registration according to the Company's actual demands for funds and the status of inter-bank funds. On 2 March 2018, National Association of Financial Market Institutional Investors (NAFMII) held the 14th registration meeting of 2018, in which NAFMII decided to accept the registration of the Company's medium-term notes, amounting to RMB 0.8 billion and valid for two years. Shanghai Pudong Development Bank Co., Ltd. and China CITIC Bank Corporation Limited were joint lead underwriters of these medium-term notes which could be issued by stages within period of validity of the registration. On May 4, 2018, the company issued the first medium-term notes with a total amount of 800 million yuan and a term of three years. The issue rate was 7%, and the redemption date was May 4, 2021.

On June 15, 2020, the Third Extraordinary Shareholders' General Meeting 2020 of CSG deliberated and approved the proposal on application for registration and issuance of ultra-short-term financing bills and medium-term notes, which agreed that the Company should register and issue medium-term notes with a registered amount not exceeding 1.5 billion yuan. With the period of validity of the quota not longer than two years, such ultra-short-term financing bills will be issued by installments in accordance with the actual capital needs of the Company and the situation of inter-bank market

funds. On September 4, 2020, the NAFMII held the 102nd registration meeting in 2020 and decided to accept the company's registration of medium-term notes with a total of 1.5 billion yuan and a validity period of two years.

3 .Public issuance of corporate bonds

On March 2, 2017, the 2nd Extraordinary General Meeting of Shareholders in 2017 reviewed and approved “the Proposal on the Public Issuance of Corporate Bonds for Qualified Investors”. On February 27, 2019, the First Extraordinary General Meeting of Shareholders in 2019 The “Proposal on Extending the Validity Period of the Shareholders' Meeting for the Public Offering of Corporate Bonds to Qualified Investors” agreed to issue corporate bonds with a total issue of no more than RMB 2 billion and a term of no more than 10 years. On June 26, 2019, the Company received the “Approval of Approving CSG Holding Co., Ltd. to Issue Corporate Bonds to Qualified Investors” issued by China Securities Regulatory Commission (ZJXK [2019] No. 1140). On March 24, 2020 and March 25, 2020, the Company issued the first batch of corporate bonds with total amount of RMB 2 billion and valid term of 3 years at the issuance rate of 6%, which will be redeemed on March 25, 2023 (for details, please refer to "Section IX Bonds").

On March 12, 2020, the First Extraordinary General Meeting of Shareholders in 2020 reviewed and approved “the Proposal on the Public Issuance of Corporate Bonds for Qualified Investors”, agreed to issue corporate bonds with a total issue of no more than RMB 1.8 billion and a term of no more than 10 years. On April 22, 2020, the Company received the “Approval of Approving CSG Holding Co., Ltd. to Issue Corporate Bonds to Qualified Investors” issued by China Securities Regulatory Commission (ZJXK[2020] No. 784).

4. Non-public issuance of A shares

The interim meeting of the 8th board of directors of the Company held on March 5, 2020 deliberated and approved the related proposals of non-public issuance of A shares, and agreed the Company to issue A shares privately. The proposals were deliberated and approved by the 2nd Extraordinary General Meeting of Shareholders of 2020 which held on April 16, 2020. In May 2020, the Company received the first feedback notice on the examination of administrative licensing projects of China Securities Regulatory Commission (No. 200819) issued by the China Securities Regulatory Commission, and published “Announcement on Reply to the Feedback of Application Documents For Non-public Offering of A shares” and “Announcement on the Revised Reply to the Feedback of Application Documents For Non-public Offering of A shares” on June 8, 2020 and June 29, 2020 respectively. On June 5, 2020, the Company held an interim meeting of the 9th board of directors, deliberated and approved the relevant proposals on adjusting the Company's non-public issuance of A shares. On July 6, 2020, the Issuance Audit Committee of China Securities Regulatory Commission reviewed the Company's application for non-public issuance of A shares. According to the audit results, the Company's application for non-public issuance of A shares was approved. On July 22, 2020, the Company received the “Reply on the Approval of Non-public Issuance of Shares of CSG” (ZJXK [2020] No. 1491) issued by China Securities Regulatory Commission. After obtaining the approval, the Company actively worked with intermediaries to promote various work concerning the non-public issuance of A shares. However, in view of changes in many factors such as the capital market environment, industrial development, the Company's market value performance and the timing of equity financing, the Company did not implement this non-public issuance of A shares within the validity period of the approval document. The approval for the non-public issuance of A shares expired automatically. For details, please refer to the "Announcement on the Expiration of the Approval for the Non-public Issuance of A Shares" (Announcement No.: 2021-034) disclosed by the Company on July 15, 2021.

For details, please refer to Juchao website (www.cninfo.com.cn).

XVII. Significant events of subsidiaries of the Company

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

Unit: Share

	Before the Change		Increase/Decrease in the Change (+, -)				After the Change		
	Amount	Proportion (%)	New shares issued	Bonus shares	Capitalization of public reserve	Others	Subtotal	Amount	Proportion (%)
I. Restricted shares	3,323,978	0.11%				1,412,818	1,412,818	4,736,796	0.15%
1. State-owned shares									
2. State-owned legal person's shares									
3. Other domestic shares	3,323,978	0.11%				1,412,818	1,412,818	4,736,796	0.15%
Including: Domestic legal person's shares									
Domestic natural person's shares	3,323,978	0.11%				1,412,818	1,412,818	4,736,796	0.15%
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural person's shares									
II. Unrestricted shares	3,067,368,129	99.89%				-1,412,818	-1,412,818	3,065,955,311	99.85%
1. RMB Ordinary shares	1,957,999,069	63.76%				-1,412,818	-1,412,818	1,956,586,251	63.72%
2. Domestically listed foreign shares	1,109,369,060	36.13%						1,109,369,060	36.13%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	3,070,692,107	100%						3,070,692,107	100%

Reason for equity changes

√Applicable Not applicable

During the report period, China Securities Depository and Clearing Corporation Limited adjusted the locked-up shares of senior management in accordance with regulations, and the Company's restricted shares and unrestricted shares changed accordingly.

Approval on equity changes

Applicable Not applicable

Transfer of ownership of changes in shares

Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in the latest year and period

Applicable Not applicable

Other information necessary to be disclosed or need to be disclosed under requirement from security regulators

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

Unit: Share

Shareholders' name	Number of restricted shares at the beginning of the period ^(Note 1)	Number of shares increased in the Period	Number of restricted shares released in the Period	Number of shares restricted at the end of the Period	Reason for restriction	Released date
Chen Lin	912,974	304,325		1,217,299	Executive lockup stocks of 1,217,299 shares	Releasing of executive lockup stocks will be implemented according to relevant policies.
Wang Jian	569,250	189,750		759,000	Executive lockup stocks of 759,000 shares	Releasing of executive lockup stocks will be implemented according to relevant policies.
He Jin	504,900	168,300		673,200	Executive lockup stocks of 673,200 shares	Releasing of executive lockup stocks will be implemented according to relevant policies.
Yang Xinyu	652,124	217,375		869,499	Executive lockup stocks of 869,499 shares	Releasing of executive lockup stocks will be implemented according to relevant policies.
Lu Wenhui	684,730	532,568		1,217,298	Lockup stocks of 1,217,298 shares for executive resignation	Releasing of executive lockup stocks will be implemented according to relevant policies.
Gao Changkun	0	500		500	Lockup stocks of 500 shares for supervisor resignation	Releasing of executive lockup stocks will be implemented according to relevant policies.
Total	3,323,978	1,412,818		4,736,796	--	--

Note: The change in restricted shares during the reporting period was caused by China Securities Depository and Clearing Corporation Limited's adjustment of the locked-up shares of senior executives in accordance with regulations.

II. Issuance and listing of Securities

1. Security issued (excluding preferred stock) in the report period

Applicable Not applicable

2. Particulars about changes of total shares and shareholder structure as well as changes of assets and liability structure

Applicable Not applicable

3. Existing internal staff shares

Applicable Not applicable

III. Particulars about shareholder and actual controller of the Company

1. Amount of shareholders of the Company and particulars about shares holding

Unit: Share

Full name of Shareholders	Nature of shareholder	Proportion of shares held (%)	Total shares held at the end of report period	Changes in report period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged, marked or frozen	
							Share status	Amount
Total shareholders at the end of the report period	149,796	Total shareholders at the end of the month before this annual report disclosed	157,188	Total preference shareholders with voting rights recovered at end of report period (if applicable)	0	Total preference shareholders with voting rights recovered at end of the month before this annual report disclosed (if applicable)	0	0
Shareholder with above 5% shares hold or top 10 shareholders								
Foresea Life Insurance Co., Ltd. – HailiNiannian	Domestic non state-owned legal person	15.19%	466,386,874			466,386,874		
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	Domestic non state-owned legal person	3.86%	118,425,007			118,425,007		
Zhongshan Runtian Investment Co., Ltd.	Domestic non state-owned legal person	2.82%	86,633,447			86,633,447	Pledged	86,630,000
							Marked	86,630,000
							Frozen	3,447
Bank of China Limited - China Merchants Ruiwen hybrid securities investment fund	Domestic non state-owned legal person	2.72%	83,514,806	83,514,806		83,514,806		
Foresea Life Insurance Co., Ltd. – Own Fund	Domestic non state-owned legal person	2.11%	64,765,161			64,765,161		
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	1.85%	56,676,295	-27,616,352		56,676,295		
China Merchants Securities (HK) Co., Limited	State-owned legal person	1.38%	42,368,988	7,125,358		42,368,988		
China Galaxy International Securities (Hong Kong) Co., Limited	Foreign legal person	1.34%	41,219,778	-130,000		41,219,778		
China Life Insurance Co., Ltd. - traditional - General insurance products - 0051-ct001 Shen	Domestic non state-owned legal person	0.97%	29,836,268	29,836,268		29,836,268		
MORGAN STANLEY & CO. INTERNATIONAL PLC	Foreign legal person	0.85%	25,979,236	25,979,236		25,979,236		
Strategic investors or general legal person becomes top 10 shareholders due to shares issued (if applicable)	N/A							
Explanation on associated relationship among the aforesaid shareholders	Among shareholders as listed above, Foresea Life Insurance Co., Ltd.-HailiNiannian, Foresea Life Insurance Co., Ltd.-Universal Insurance Products, Foresea Life Insurance Co., Ltd.-Own Fund are all held by Foresea Life Insurance Co., Ltd. Shenzhen Jushenghua Co., Ltd. is a related legal person of Foresea Life Insurance Co., Ltd. and Chengtai Group Co., Ltd., another related legal person of Foresea Life Insurance Co., Ltd, which held 40,187,904 shares via China Galaxy International Securities (Hong Kong) Co., Limited.							

	Except for the above-mentioned shareholders, it is unknown whether other shareholders belong to related party or have associated relationship regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.		
Explanation of the above-mentioned shareholders involving entrusted/entrusted voting rights and abstention from voting right			
Special instructions on the existence of special repurchase account among the top 10 shareholders (if any)	N/A		
Particular about top ten shareholders with un-restrict shares held			
Shareholders' name	Amount of un-restrict shares held at year-end	Type of shares	
		Type	Amount
Foresea Life Insurance Co., Ltd. – HailiNiannian	466,386,874	RMB ordinary shares	466,386,874
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	118,425,007	RMB ordinary shares	118,425,007
Zhongshan Runtian Investment Co., Ltd.	86,633,447	RMB ordinary shares	86,633,447
Bank of China Limited - China Merchants Ruiwen hybrid securities investment fund	83,514,806	RMB ordinary shares	83,514,806
Foresea Life Insurance Co., Ltd. – Own Fund	64,765,161	RMB ordinary shares	64,765,161
Hong Kong Securities Clearing Co., Ltd.	56,676,295	RMB ordinary shares	56,676,295
China Merchants Securities (HK) Co., Limited	42,368,988	Domestically listed foreign shares	42,368,988
China Galaxy International Securities (Hong Kong) Co., Limited	41,219,778	Domestically listed foreign shares	41,219,778
China Life Insurance Co., Ltd. - traditional - General insurance products - 0051-ct001 Shen	29,836,268	RMB ordinary shares	29,836,268
MORGAN STANLEY & CO. INTERNATIONAL PLC	25,979,236	Domestically listed foreign shares	25,979,236
Statement on associated relationship or consistent action among the above shareholders:	Among shareholders as listed above, Foresea Life Insurance Co., Ltd.-HailiNiannian, Foresea Life Insurance Co., Ltd.-Universal Insurance Products, Foresea Life Insurance Co., Ltd.-Own Fund are all held by Foresea Life Insurance Co., Ltd. Shenzhen Jushenghua Co., Ltd. is a related legal person of Foresea Life Insurance Co., Ltd. and Chengtai Group Co., Ltd., another related legal person of Foresea Life Insurance Co., Ltd, which held 40,187,904 shares via China Galaxy International Securities (Hong Kong) Co., Limited. Except for the above-mentioned shareholders, it is unknown whether other shareholders belong to related party or have associated relationship regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.		
Explanation on shareholders involving margin business (if applicable)	N/A		

Whether the company's top 10 common shareholders and the top 10 shareholders of ordinary shares subject to unlimited sales have agreed to buy back transactions during the report period

Yes No

2. Controlling shareholder of the Company

The nature of controlling shareholders: No holding body

The type of controlling shareholder: Not exist

Explanation on the Company without controlling shareholder

Currently the Company has no controlling shareholder. Foresea Life Insurance Co., Ltd. is the Company's largest shareholder that has totally held 657,577,954 shares of the Company via Foresea Life Insurance Co., Ltd.-HailiNiannian, Foresea Life Insurance Co., Ltd.-universal insurance products, Foresea Life Insurance Co., Ltd.-own fund, Foresea Life Insurance Co., Ltd.-a combination of its own funds together with Huatai till the end of the report period, which accounts for 21.41% of the Company's total shares; its person acting in concert Zhongshan Runtian Investment Co., Ltd. held 86,633,447 shares, which accounts for 2.82% of the Company's total shares; its person acting in concert Chengtai Group

Co., Ltd. held 51,709,088 shares of B-share via China Galaxy International Securities (Hong Kong) Co., Ltd and Guosen Securities (Hong Kong) Brokerage Co., Limited, which accounts for 1.68% of the Company's total shares. Foresea Life Insurance and its persons acting in concert totally held 25.92% of the Company's total shares, which is less than 30%, meanwhile, the number of directors recommended by Foresea Life Insurance and its persons acting in concert was no more than half of total number of the Company's Board of Directors.

Other shareholders of the Company hold less than 5% of the shares.

Changes of controlling shareholders in the report period

Applicable Not applicable

3. Actual controller of the Company

The nature of actual controller: no actual controller

The type of actual controller: Not exist

Explanation on the Company without actual controller

Currently the Company has no controlling shareholder. Foresea Life Insurance Co., Ltd. is the Company's largest shareholder that has totally held 657,577,954 shares of the Company via Foresea Life Insurance Co., Ltd.–HailiNiannian, Foresea Life Insurance Co., Ltd.–universal insurance products, Foresea Life Insurance Co., Ltd.–own fund, Foresea Life Insurance Co., Ltd.–a combination of its own funds together with Huatai till the end of the report period, which accounts for 21.41% of the Company's total shares; its person acting in concert Zhongshan Runtian Investment Co., Ltd. held 86,633,447 shares, which accounts for 2.82% of the Company's total shares; its person acting in concert Chengtai Group Co., Ltd. held 51,709,088 shares of B-share via China Galaxy International Securities (Hong Kong) Co., Ltd and Guosen Securities (Hong Kong) Brokerage Co., Limited, which accounts for 1.68% of the Company's total shares. Foresea Life Insurance and its persons acting in concert totally held 25.92% of the Company's total shares, which is less than 30%, meanwhile, the number of directors recommended by Foresea Life Insurance and its persons acting in concert was no more than half of total number of the Company's Board of Directors.

Shareholders with over 10% shares held in ultimate controlling level

Yes No

Natural person

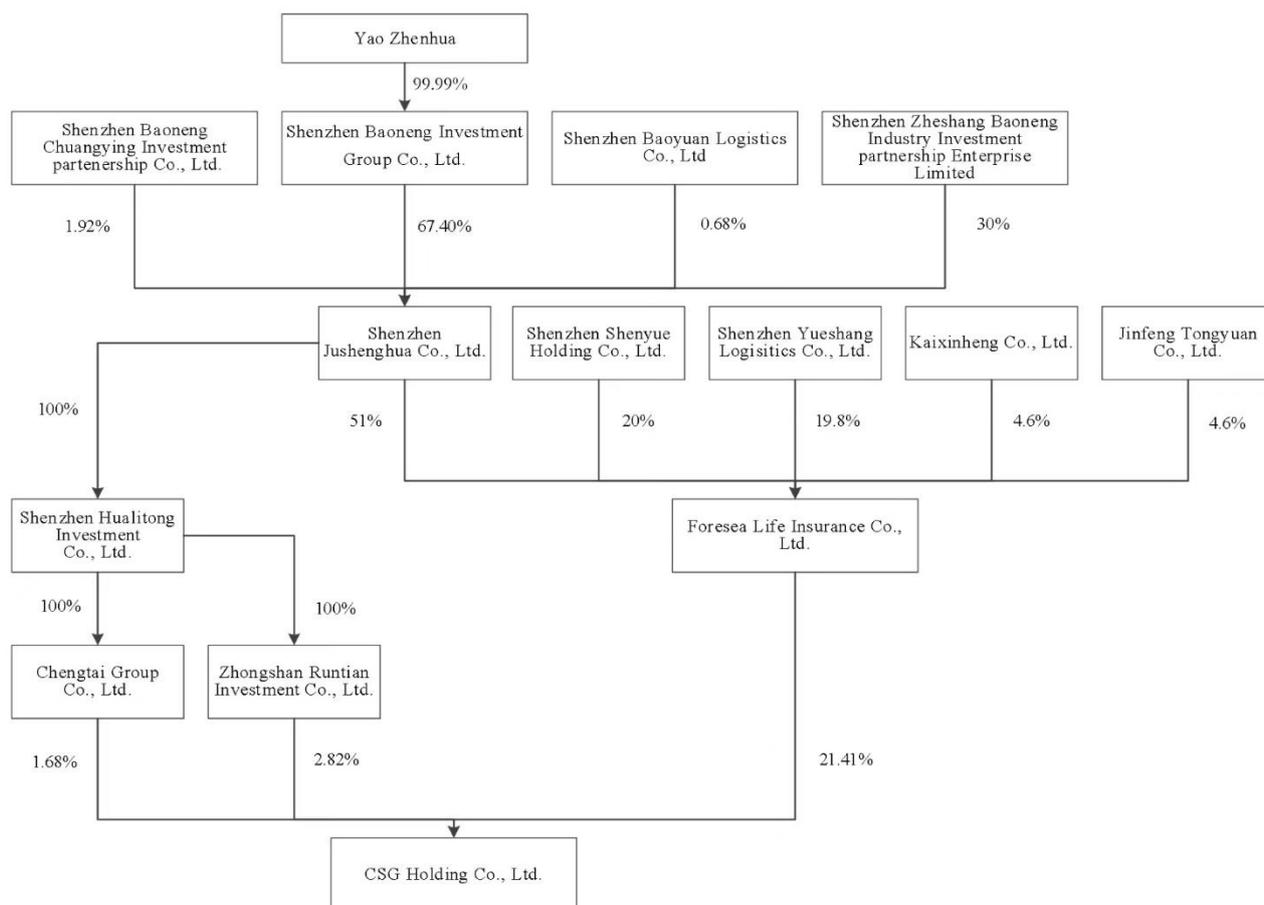
Shares held in ultimate controlling level

Shareholders	Nationality	Whether to obtain the right of abode in other countries or regions
Yao Zhenhua	China	No
Major occupations and duties	Chairman of Shenzhen Baoneng Investment Group Co., Ltd.	
Situation of holding domestic and abroad listed companies over the past 10 years	N/A	

Changes of actual controller in the report period

Applicable Not applicable

Property right and controlling relationship between the largest shareholder and the Company is as follow:



Actual controller controlling of the Company by entrust or other assets management

Applicable Not applicable

4. The company's controlling shareholder or the largest shareholder and its concerted action person's cumulative pledged shares account for 80% of the company's shares held by them

Applicable Not applicable

5. Particulars about other legal person shareholders holding over 10% of the company's shares

Applicable Not applicable

6. Limitation on share reduction of controlling shareholders, actual controllers, recombination party and other commitment subjects

Applicable Not applicable

IV. Specific implementation of share repurchase in the report period

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reducing share repurchased by centralized bidding

Applicable Not applicable

Section VIII. Preferred shares

Applicable Not applicable

Section IX. Bonds

√Applicable □ Not applicable

I. Enterprise bonds

□Applicable √ Not applicable

The Company had no enterprise bonds during the report period.

II. Corporate bonds

√Applicable □ Not applicable

1. Basic information about corporate bonds

Unit: RMB

Name	Short name	Bond code	Issue date	Value date	Maturity date	Bond balance	Interest rate	Way of repayment of principal and interest	Trading place
CSG's Public Issuance of Corporate Bonds to Qualified Investors 2020 (Phase I)	20 CSG 01	149079	2020-3-24 to 2020-3-25	2020-3-25	2023-3-25	2,000,000,000	6.00%	Use simple interest to calculate the annual interest, excluding compound interest. Interest is paid once a year, principal is repaid once due, and the last installment of interest is paid together with the principal.	Shenzhen Stock Exchange
Appropriate arrangements for investors	The corporate bonds shall be publicly issued to qualified institutional investors who have opened qualified A-share securities accounts in the Shenzhen branch of China securities registration and clearing Co., Ltd., in accordance with the provisions of the "Measures for the Administration of Corporate Bond Issuance and Trading".								
Applicable trading mechanism	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Whether there are risks (if any) of terminating listing transactions and countermeasures	No								

Overdue bonds

Applicable Not applicable

2. Triggering and enforcement of issuer or investor option provisions, investor protection provisions

Applicable Not applicable

3. Information on intermediaries

Name of bond project	Name of intermediary	Office address	Name of signing accountant	Intermediary contact	Contact number
CSG's Public Issuance of Corporate Bonds to Qualified Investors 2020 (Phase I)	Western Securities Co., Ltd. (lead underwriter and bond trustee)	Room 10000, building 8, No. 319, Dongxin Street, Xincheng District, Xi'an City, Shaanxi Province	-	Lv Yue	010-68086722
CSG's Public Issuance of Corporate Bonds to Qualified Investors 2020 (Phase I)	Asia Pacific (Group) CPAs (special general partnership)	20th floor, Jujie Financial Building, Lize Road, Fengtai District, Beijing	Zhang Yan, Pan Qian, Zhou Xianhong, Zhao Qingjun	Zhou Xianhong	0551-62840302
CSG's Public Issuance of Corporate Bonds to Qualified Investors 2020 (Phase I)	Guohao Law Firm (Shenzhen)	41st Floor, Special Economic Zone Newspaper Building, No. 6008 Shennan Avenue, Futian District, Shenzhen, Guangdong Province	-	Wang Caizhang	0755-83515666
CSG's Public Issuance of Corporate Bonds to Qualified Investors 2020 (Phase I)	China Chengxin International Credit Rating Co	Building 5, Galaxy SOHO, No. 2, Nanzhugan Hutong, Chaoyangmennei Street, Dongcheng District, Beijing	-	Du Peishan	010-66428877

Whether there was any change on the above institutions during the report period

Yes No

4. Use of raised fund

Unit: RMB

Name of bond project	Total amount of funds raised	Amount used	Unused amount	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the prospectus
CSG's Public Issuance of Corporate Bonds to Qualified Investors 2020 (Phase I)	2,000,000,000	2,000,000,000	0.00	The special account for raised funds operates in strict accordance with the relevant provisions of the prospectus.	Nil	Yes

Raised funds for construction projects

Applicable Not applicable

The company changed the purpose of the funds raised by the above bonds during the report period

Applicable Not applicable

5. Adjustment of credit rating results during the report period

Applicable Not applicable

6. The implementation and changes of guarantees, debt repayment plans and other debt repayment guarantee measures during the reporting period and their impact on the rights and interests of bond investors

Applicable Not applicable

During the report period, the guarantees, debt repayment plans and other debt repayment safeguards of "20 CSG 01" have not been changed which are the same as the relevant commitments of its prospectus. The basic situation is as follows:

1. Credit promotion measures

The bonds are unsecured.

2. Debt repayment plan

"20 CSG 01" will pay interest once a year during its duration, and the principal will be repaid once upon maturity. The interest of the last period will be paid together with the repayment of the principal. The payment date of "20 CSG 01" is March 25 of each year from 2021 to 2023, and the payment date is March 25, 2023 (in case of a statutory holiday or rest day, it will be postponed to the first trading day thereafter).

3. Repayment safeguards

The debt repayment guarantee measures of "20 CSG 01" include designating a special department to be responsible for repayment, strictly implementing the use of raised funds, giving full play to the role of bond trustee, formulating bondholders' meeting rules, strictly fulfilling information disclosure obligations, etc., so as to fully and effectively safeguard the interests of bondholders.

III. Debt financing instruments of non-financial enterprises

Applicable Not applicable

During the report period, the Company did not have non-financial corporate debt financing instruments.

IV. Convertible corporate bonds

Applicable Not applicable

During the report period, the Company did not have convertible corporate bonds.

V. The loss within the scope of consolidated statements in the report period exceeded 10% of the net assets at the end of the previous year

Applicable Not applicable

VI. Overdue situation of interest-bearing debts other than bonds at the end of the report period

Applicable Not applicable

VII. Whether there is any violation of rules and regulations during the reporting period

Yes No

VIII. Main accounting data and financial indicators of the company in recent two years by the end of the reporting period

RMB 0,000

Item	At the end of the report period	At the end of the previous year	Increase and decrease at the end of the report compared with the end of the previous year
Current ratio	1.66	1.21	37.19%
Asset-liability ratio	40%	41%	-1%
Quick ratio	1.38	1.00	38.00%
	The report period	The same period of the previous year	Increase and decrease in the report period over the same period of last year
Net profit after deducting non-recurring gains and losses	143,954	53,998	166.59%
EBITDA total debt ratio	38%	32%	6%
Interest coverage ratio	10.38	4.88	112.70%
Cash interest coverage ratio	23.91	11.83	102.11%
EBITDA interest coverage ratio	15.09	8.15	85.15%
Loan repayment rate	100.00%	100.00%	
Interest coverage ratio	100.00%	100.00%	

Section X. Financial Report

I. Report of the Auditors

Type of Auditor's Opinion	Standard and unqualified
Issue date of Report of the Auditors	April 21, 2022
Name of Auditor's organization	Asia Pacific (Group) CPAs (special general partnership)
Reference number of Report of the Auditors	Ya-Kuai-Shen-Zi (2022) No. 01320028
Name of CPA	Zhou Xianhong, Wu Yiluo

Auditor's Report

Ya-Kuai-Shen-Zi (2022) No. 01320028

To the shareholders of CSG Holding Co., Ltd.,

I. Opinion

We have audited the accompanying financial statements of CSG Holding Co., Ltd. (hereinafter "the Company"), which comprise the Separate/Consolidated Statements of Financial Position as at 31 December 2021, and the Separate/Consolidated Statements of profit or loss, the Separate/Consolidated Statements of changes in equity and the Separate/Consolidated Statements of cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the financial statements attached were prepared in line with the regulations of Accounting Standards for Business Enterprises in all significant aspects which gave a true and fair view of the consolidated and parent financial position of the Company as at Dec. 31, 2021 and the consolidated and parent business performance and cash flow of the Company for 2021.

II. Basis of Opinion

We conducted our audit in accordance with Standards on Auditing for Certified Public Accountants. Our responsibility is to express an opinion on these financial statements based on our audit. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determine the followings are key audit matters in need of communication in our report.

I) Impairment of Long-term assets

1. Matter description

As disclosed in the financial statements, by 31st December 2021, Impairment provision for construction in progress of The Company was RMB 1,276.28 million, Impairment provision the fixed assets was RMB 1,013.62 million. The main matters during current year are as follows:

(1)As the electronic glass product market is updated faster, the management of the company (hereinafter referred to as the management) plan has technically reform to the Phase I Electronic Glass Production Line of the subsidiary Qingyuan CSG Energy Support New Material Co., Ltd., And some of the assets of the original production line have signs of impairment.

(2)Based on the rapid spread of the photovoltaic battery and components, high conversion efficiency trends, the subsidiary of Dongguan CSG Photovoltaic Technology Co., Ltd., has the technical level lower and high energy consumption Preparation of values, which show a sign of impairment.

(3)Yichang CSG Silicon Materials Co., Ltd. polysilicon factory has checked and fully analyzed the assets in the process of technical transformation and re-inspection. Some assets of polysilicon factory that need technical transformation, elimination, maintenance or cannot be used, show signs of impairment.

The management has identified and conducted impairment tests for some related assets which show a sign of impairment. During the test, the management has engaged an independent valuer to assist in the identification and valuation of the recoverable amount of relevant asset and compared it with the book value of the corresponding assets. The results showed that the recoverable amount of related assets was lower than its book value. According to the differences in amount, the provision for impairment of fixed assets and construction in progress should be noted by the company. The impairment test involves confirming key parameters including discount rate and assumptions for future administration, such as the revenue growth rate, the gross profit margin etc. Due to the procedure of related assets impairment involved significant decisions and predictions made by the management team, we therefore have confirmed this as a key audit matter.

2. Countermeasures of Audit

- (1) Understood and tested the effectiveness of design and operation of CSG internal control system relating to the provision for impairment of the fixed assets and the construction in progress;
- (2) Checked the fixed asset and construction in progress in field survey and implemented of physical procedures;
- (3) Evaluated management's identification of the relevant asset groups assertions and the amount of assets allocated to each asset group and assessed the reasonableness of management's method of impairment of related assets;
- (4) Communicated with management and evaluated impairment of fixed assets and construction in progress key assumptions , Valuation method, Cash flow forecast and other key parameters for obtaining significant management estimates and judgments, such as the revenue growth rate, the gross profit margin, the expense growth rate and the discount rate etc, to be reviewed;
- (5) Assessed the professional competency ,objectivity, and independence of the third parties of independent valuer and reviewed the evaluation methods, evaluation assumptions, discount rates and other key parameters of valuation reports and reviewed the reasonableness of the calculation of evaluation data;
- (6) Checked the provision of impairment of fixed asset and construction in progress relevant presents and disclosures whether is appropriate and complete in the presentation of financial statements following accounting standards.

II) Impairment of receivable

1. Matter description

As disclosed in the financial statements, by 31st December 2021, The carrying amount of notes receivable was RMB 40 million and impairment provision for notes receivable of The Company was RMB 20.78 million, The carrying amount of accounts receivable was RMB 847.85 million and impairment provision for the accounts receivable was RMB 117.32 million. The impairment provision for notes receivable and accounts receivable shall mainly include: Engineering Glass Business Subsidiaries received the trade acceptance bill endorsed by the customer and issued by Evergrande and their subsidiaries. The capital turnover of Evergrande and their subsidiaries is difficult to be paid in the future. The provision for notes receivable was partially accrued. The carrying amount of other receivables is RMB 246.85 million yuan, and the impairment provision is RMB 63.16 million. The impairment provision of other receivables for this period mainly include: other receivables of the company is RMB 171 million from Yichang Hongtai Real Estate Co., Ltd., The risk of company's management expects to receive back will be higher in this year, and provision for other receivables was

partially accrued. According to professional institutions such as lawyers analysis and recommendation, The management of the company and the company's business department, the legal department discussed and assessing the recoverable, and reassessing the expected credit risk of the above payments. Due to the receivables and their impairment have a significant impact on the financial statements, and the procedure of receivable recoverable and credit loss risk involved significant decisions and predictions made by the management team, we therefore have confirmed this as a key audit matter.

2. Countermeasures of Audit

(1) Understood and tested the effectiveness of design and operation of CSG internal control system relating to the provision for impairment of the receivables;

(2) Communicated with sales department and understood the company's sales policy, credit policy, payback situation, checked the main terms and implementation of the relevant sales contracts;

(3) Through the Chinese referee document network, the national court is inquiry the principal customer information on public channels, and evaluates its debt repayment capabilities;

(4) Verified the authenticity of the relevant customers confirmations, the non-response partially implemented alternatives, including, but not limited to, check sales contracts, orders, outbound orders, transport orders, sign receipts, acceptors, settlement orders, etc. Whether the payment will be checked after the period;

(5) Discussed with the company's management to understand the estimated credit risk of related customers and Checked the company's receivables calculation process, checked the expected credit loss rate calculation process of related customers, and re-measure credit risk loss according to the company's accounting policies;

(6) Check if the receivables and its impairment are appropriately disclosed in the financial statements.

IV. Other information

The management layer of the Company shall be responsible for other information, including the information covered in the financial report, but excludes financial statements and our audit report.

Our audit opinion on financial statements does not include other information; we will not make the authentication conclusion on other information in any form.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

V. Responsibilities of Management and Governance for Financial Statements

The management is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve a fair reflection, and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatement due to fraud or errors.

In preparing financial statements, the management layer is responsible for assessing the company's sustained business capability, disclosing matters related to continue operating, using the going-concern assumption unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The governance layer is responsible for supervising the financial reporting process of the company.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance as to whether there are no major misstatements due to fraud or errors in the overall financial statements, and to issue an audit report containing audit opinions. Reasonable assurance is the high-level assurance, but it can't assure that a certain major misstatement can be always found when auditing according to the audit standard. The misstatement may be caused by malpractices or error. If the misstatements within the rational expectations may affect the economic decision of the financial statement user according to the financial statement, it shall be deemed that the misstatement is significant.

During the process of conducting the audit work according to audit standards, we apply professional judgment and keep professional skepticism. Meanwhile, we also perform the following tasks:

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

(2) Understand the internal control related to audit, so as to design appropriate audit procedures.

(3) Estimate the appropriateness of the accounting policies selected by the management layer, and the rationality of making accounting estimate and relevant disclosures.

(4) Draw a conclusion on the appropriateness of the going concern assumption used by the management layer. Meanwhile, according to the obtained audit evidence, it may cause to come to the conclusion that there are substantial doubtful events or major uncertainty for the sustainable operation ability of the Company. In case that we come to the conclusion that there is a significant uncertainty, the audit standards require us to remind the users of the statements to pay attention to relevant disclosures in the financial statements in the audit report; In case of any insufficient disclosure, we shall give modified opinions. Our conclusion is based on the available information up to the audit report day. However, the future events or circumstances may cause the Company cannot continue to operate.

(5) Estimate the overall presentation, structure and content (disclosure included) of the financial statements, and Estimate whether the financial statements fairly reflect relevant transactions and matters.

(6) Acquire adequate and appropriate audit evidences on the financial information of the entity or business activities of the Company, and give audit opinions on the consolidated financial statements. We are responsible for guiding, supervising and executing the audit of the Group, and take all responsibilities for the audit opinions.

We communicate with the governance layer about the audit scope, schedule, significant audit findings and other matters within the plan, including the noteworthy internal control defects recognized by us during the audit.

We also provide statements to the governance layer on the compliance with the professional ethics requirement related to the independence, and communicate with the governance layer on all relationships and other matters that may reasonably be considered to affect our independence, as well as relevant preventive measures.

From the matters that we have communicated with the governance layer, we confirm the most important matters for the audit of the current financial statements, and thus constitute the key audit matters. We describe these matters in our audit report, unless laws and regulations prohibit the public disclosure of these matters, or in rare cases, if it is reasonably expected that the negative consequences of communicating a matter in the audit report will surpass the benefits in the public interests, we confirm that the matter shall not be communicated in the audit report.

Asia-Pacific (Group)
Certified Public Accountants
(special general partnership)

Certified Public Accountant of China

Beijing, China
21 April 2022

Certified Public Accountant of China

CSG HOLDING CO., LTD.

**CONSOLIDATED AND COMPANY'S BALANCE SHEETS
AS AT 31 DECEMBER 2021**

 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

ASSETS	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Consolidated	Consolidated	Company	Company
Current assets					
Cash at bank and on hand	4(1)	2,765,925,906	2,125,788,903	1,961,406,035	1,072,875,571
Financial assets held for trading	4(2)	999,600,000	-	999,600,000	-
Notes receivable	4(3)	19,220,984	207,966,892	-	-
Accounts receivable	4(4)	730,525,687	681,467,133	-	-
Receivables Financing	4(5)	297,046,123	382,527,782	-	-
Advances to suppliers	4(6)	76,097,276	85,928,641	639,164	1,650,184
Other receivables	4(7)/16(1)	183,696,711	200,969,854	2,899,091,405	3,803,908,369
Inventories	4(8)	1,093,805,525	815,156,318	-	-
Other current assets	4(9)	140,705,298	140,031,544	-	66,321
Total current assets		6,306,623,510	4,639,837,067	5,860,736,604	4,878,500,445
Non-current assets					
Long-term equity investments	16(2)	-	-	6,262,391,694	5,844,507,870
Investment properties	4(10)	383,084,500	383,084,500	-	-
Fixed assets	4(11)	8,566,515,026	9,145,644,569	11,509,029	19,769,193
Construction in progress	4(12)	2,461,088,650	1,893,380,611	-	-
Right-of-use assets	4(13)	9,911,935	-	-	-
Intangible assets	4(14)	1,167,611,402	1,139,718,255	2,102,548	140,836
Development expenditure	4(14)	72,019,362	49,153,407	-	-
Goodwill	4(15)	130,147,859	233,375,693	-	-
Long-term prepaid expenses		3,013,721	10,381,937	-	-
Deferred tax assets	4(16)	255,185,923	194,979,414	-	-
Other non-current assets	4(17)	584,162,622	193,359,445	104,109,111	4,546,275
Total non-current assets		13,632,741,000	13,243,077,831	6,380,112,382	5,868,964,174
TOTAL ASSETS		19,939,364,510	17,882,914,898	12,240,848,986	10,747,464,619

CSG HOLDING CO., LTD.

CONSOLIDATED AND COMPANY'S BALANCE SHEETS (CONT'D)
AS AT 31 DECEMBER 2021

 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

LIABILITIES AND OWNERS' EQUITY	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Consolidated	Consolidated	Company	Company
Current liabilities					
Short-term borrowings	4(19)	180,770,000	352,895,571	100,000,000	49,800,000
Notes payable	4(20)	400,662,713	144,851,192	-	-
Accounts payable	4(21)	1,428,851,312	1,237,833,051	315,684	249,721
Contract liabilities	4(22)	335,188,642	296,776,624	-	-
Employee benefits payable	4(23)	426,212,979	342,352,166	68,534,315	46,504,458
Taxes payable	4(24)	185,009,681	194,921,071	8,316,132	9,457,159
Other payables	4(25)/16(3)	289,440,477	287,332,992	2,067,472,879	1,002,135,702
Current portion of non-current liabilities	4(26)	503,820,548	927,531,709	400,000,000	800,000,000
Other current liabilities	4(27)	40,099,309	34,586,292	-	-
Total current liabilities		3,790,055,661	3,819,080,668	2,644,639,010	1,908,147,040
Non-current liabilities					
Long-term borrowings	4(28)	1,469,059,824	853,253,983	690,000,000	700,000,000
Debentures payable	4(29)	1,996,587,330	1,994,020,348	1,996,587,330	1,994,020,348
Lease liabilities	4(30)	220,138	-	-	-
Long-term payables	4(31)	168,258,062	-	-	-
Deferred tax liabilities	4(16)	84,580,132	102,619,932	-	-
Deferred income	4(32)	564,129,128	498,056,081	172,500,000	180,496,249
Total non-current liabilities		4,282,834,614	3,447,950,344	2,859,087,330	2,874,516,597
Total liabilities		8,072,890,275	7,267,031,012	5,503,726,340	4,782,663,637
Shareholders' equity					
Share capital	4(33)	3,070,692,107	3,070,692,107	3,070,692,107	3,070,692,107
Capital surplus	4(34)	596,997,085	596,997,085	741,824,399	741,824,399
Other comprehensive income	4(35)	159,200,530	161,816,819	-	-
Special reserve	4(36)	7,296,397	10,269,002	-	-
Surplus reserve	4(37)	1,144,887,510	1,036,948,422	1,159,432,870	1,051,493,782
Undistributed profits	4(38)	6,450,587,417	5,336,266,412	1,765,173,270	1,100,790,694
Total equity attributable to shareholders of parent company		11,429,661,046	10,212,989,847	6,737,122,646	5,964,800,982
Minority interests		436,813,189	402,894,039	-	-
Total shareholders' equity		11,866,474,235	10,615,883,886	6,737,122,646	5,964,800,982
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		19,939,364,510	17,882,914,898	12,240,848,986	10,747,464,619

The accompanying notes form are attached as an integral part of these financial statements.

Legal representative: Principal in charge of accounting: Head of accounting department:

CSG HOLDING CO., LTD.

**CONSOLIDATED AND COMPANY'S INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

Item	Note	2021	2020	2021	2020
		Consolidated	Consolidated	Company	Company
Revenue	4(39)	13,629,033,650	10,671,253,445	294,247,989	217,297,219
Less: Cost of sales	4(39)	(8,849,488,093)	(7,444,465,731)	-	-
Taxes and surcharges	4(40)	(148,655,418)	(121,898,522)	(2,560,152)	(2,292,619)
Selling and distribution expenses	4(41)	(270,695,433)	(233,918,938)	-	-
General and administrative expenses	4(42)	(752,605,507)	(666,976,561)	(297,252,293)	(273,626,323)
Research and development expenses	4(43)	(511,738,848)	(404,842,498)	(2,631,501)	(1,047,802)
Financial expenses - net	4(44)	(151,182,191)	(224,011,920)	(138,319,862)	(167,576,428)
Including: interest expenses		(188,858,163)	(273,308,059)	(177,942,376)	(214,088,327)
Interest income		42,702,029	53,404,661	39,200,530	49,221,299
Add: Other Income	4(48)	106,465,817	99,560,400	3,162,514	4,228,915
Gains/(Losses) arising from changes in fair value	4(46)	-	179,911,200	-	-
Investment income	4(47)/16(4)	16,847,647	2,654,504	1,279,006,799	1,136,439,598
Credit impairment loss	4(49)	(153,894,437)	(5,722,619)	(48,513,009)	(1,571,191)
Asset impairment loss	4(50)	(981,665,546)	(738,508,094)	-	-
Income on disposal assets	4(51)	(1,493,248)	(1,158,984)	6,893,580	15,761
Operating profit		1,930,928,393	1,111,875,682	1,094,034,065	911,867,130
Add: Non-operating revenue	4(52)	12,604,534	14,369,839	383,646	-
Less: Non-operating expenses	4(53)	(26,130,744)	(20,554,395)	(15,026,836)	(4,895,769)
Total profit		1,917,402,183	1,105,691,126	1,079,390,875	906,971,361
Less: Income tax (expenses)/revenue	4(54)	(356,153,729)	(293,738,145)	-	-
Net profit		1,561,248,454	811,952,981	1,079,390,875	906,971,361
(一) Classified by continuous operation:					
Net income from continuing operations ("-" for net loss)		1,561,248,454	811,952,981	1,079,390,875	906,971,361
Net income from discontinued operations ("-" for net loss)		-	-	-	-
(二) Classified by equity ownership:					
Attributable to shareholders of parent company		1,529,329,304	779,325,592	-	-
Minority interests		31,919,150	32,627,389	-	-
Other comprehensive income net after tax		(2,616,289)	155,250,955	-	-
Other comprehensive income net after tax attributable to shareholders of parent company		(2,616,289)	155,250,955	-	-
Other comprehensive income items which will be reclassified subsequently to profit or loss		(2,616,289)	155,250,955	-	-
Differences on translation of foreign currency financial statements		(2,616,289)	(5,900,842)	-	-
Income generated when self-property and land use rights are converted into investment property		-	161,151,797	-	-
Other comprehensive income net after tax attributable to minority interests		-	-	-	-
Total comprehensive income		1,558,632,165	967,203,936	1,079,390,875	906,971,361
Total comprehensive income attributable to shareholders of parent company		1,526,713,015	934,576,547		
Total comprehensive income attributable to minority interests		31,919,150	32,627,389		
Earnings per share	4(55)				
Basic earnings per share (RMB Yuan)	4(55)	0.50	0.25		
Diluted earnings per share (RMB Yuan)	4(55)	0.50	0.25		

The accompanying notes form are attached as an integral part of these financial statements.

Legal representative: Principal in charge of accounting: Head of accounting department:

CSG HOLDING CO., LTD.

**CONSOLIDATED AND COMPANY'S CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2021	2020	2021	2020
		Consolidated	Consolidated	Company	Company
1. Cash flows from operating activities					
Cash received from sales of goods or rendering of services		15,127,773,082	11,736,154,948	312,321,151	223,086,978
Refund of taxes and surcharges		53,331,689	61,780,834	-	613,918
Cash received relating to other operating activities	4(56)(a)	261,031,274	177,764,210	44,045,856	58,247,245
Sub-total of cash inflows		15,442,136,045	11,975,699,992	356,367,007	281,948,141
Cash paid for goods and services		(8,246,043,888)	(6,674,993,246)	-	-
Cash paid to and on behalf of employees		(1,638,657,553)	(1,377,255,224)	(232,793,262)	(255,127,287)
Payments of taxes and surcharges		(1,214,512,667)	(769,776,963)	(20,131,229)	(8,844,083)
Cash paid relating to other operating activities	4(56)(b)	(440,837,552)	(423,054,923)	(51,990,613)	(30,178,208)
Sub-total of cash outflows		(11,540,051,660)	(9,245,080,356)	(304,915,104)	(294,149,578)
Net cash flows from/(used in) operating activities		3,902,084,385	2,730,619,636	51,451,903	(12,201,437)
2. Cash flows from investing activities					
Cash received from returns on investments		4,424,000,000	-	4,360,335,176	411,387,134
Cash received from returns on invest income		16,163,055	2,654,504	1,277,124,439	862,091,239
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		4,916,078	1,887,056	2,663,907	10,571
Cash received relating to other investing activities	4(56)(c)	80,944,683	435,177,324	-	300,000,000
Sub-total of cash inflows		4,526,023,816	439,718,884	5,640,123,522	1,573,488,944
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(1,827,187,640)	(1,110,769,762)	(5,406,991)	(8,306,897)
Cash paid to acquire investments		(5,523,600,000)	-	(5,877,819,000)	(1,151,168,328)
Cash paid relating to other investing activities	4(56)(d)	(80,312,270)	(118,741,948)	-	-
Sub-total of cash outflows		(7,431,099,910)	(1,229,511,710)	(5,883,225,991)	(1,159,475,225)
Net cash flows (used in)/from investing activities		(2,905,076,094)	(789,792,826)	(243,102,469)	414,013,719
3. Cash flows from financing activities					
Cash received from investors		2,000,000	-	-	-
Cash received from borrowings		1,637,354,868	2,277,466,685	814,000,000	1,582,799,801
Cash received from issuing debentures		-	1,991,680,000	-	1,991,680,000
Cash received relating to other financing activities	4(56)(e)	200,000,000	153,698,226	1,960,258,923	74,599,652
Sub-total of cash inflows		1,839,354,868	4,422,844,911	2,774,258,923	3,649,079,453
Cash repayments of borrowings		(1,655,022,054)	(5,024,614,676)	(1,173,800,000)	(4,049,999,801)
Cash payments for interest expenses and distribution of dividends or profits		(547,085,016)	(438,591,829)	(520,361,295)	(336,840,490)
Cash payments relating to other financing activities	4(56)(f)	-	(604,225,442)	-	-
Sub-total of cash outflows		(2,202,107,070)	(6,067,431,947)	(1,694,161,295)	(4,386,840,291)
Net cash flows (used in)/from financing activities		(362,752,202)	(1,644,587,036)	1,080,097,628	(737,760,838)
4. Effect of foreign exchange rate changes on cash		(1,806,713)	(4,046,608)	748,101	(66,943)
5. Net increase/(decrease) in cash and cash equivalents	4(57)(b)	632,449,376	292,193,166	889,195,163	(336,015,499)
Add: Cash and cash equivalents at beginning of year		2,124,028,196	1,831,835,030	1,071,200,364	1,407,215,863
6. Cash and cash equivalents at end of year	4(57)(c)	2,756,477,572	2,124,028,196	1,960,395,527	1,071,200,364

The accompanying notes form are attached as an integral part of these financial statements.

Legal representative: Principal in charge of accounting: Head of accounting department:

CSG HOLDING CO., LTD.

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	Attributable to shareholders of parent company							Minority interests	Total shareholders' equity	
		Share capital	Capital surplus	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits			
		4(33)	4(34)		4(35)	4(36)	4(37)	4(38)	Sub-total		
Balance at 1 January 2020		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
Movements for the year ended 31 December 2020											
Total comprehensive income											
Net profit		-	-	-	-	-	-	779,325,592	779,325,592	32,627,389	811,952,981
Other comprehensive income	4(35)	-	-	-	155,250,955	-	-	-	155,250,955	-	155,250,955
Total comprehensive income		-	-	-	155,250,955	-	-	779,325,592	934,576,547	32,627,389	967,203,936
Capital contribution and withdrawal by shareholders		(36,222,898)	(86,222,273)	118,066,397	-	-	-	-	(4,378,774)	-	(4,378,774)
Share-based payments		(36,222,898)	(86,222,273)	118,066,397	-	-	-	-	(4,378,774)	-	(4,378,774)
Profit distribution		-	-	-	-	-	90,697,136	(302,660,021)	(211,962,885)	-	(211,962,885)
Appropriation to surplus reserve	4(37)	-	-	-	-	-	90,697,136	(90,697,136)	-	-	-
Distribution to the shareholders	4(38)	-	-	-	-	-	-	(211,962,885)	(211,962,885)	-	(211,962,885)
Special reserve		-	-	-	-	(833,919)	-	-	(833,919)	-	(833,919)
Special reserve appropriate	4(36)	-	-	-	-	-	-	-	-	-	-
Special reserve used	4(36)	-	-	-	-	(833,919)	-	-	(833,919)	-	(833,919)
Balance at 31 December 2020		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

CSG HOLDING CO., LTD.

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	Share capital 4(33)	Capital surplus 4(34)	Other comprehensiv e income 4(35)	Special reserve 4(36)	Surplus reserve 4(37)	Undistributed profits 4(38)	Sub-total	Minority interests	Total shareholders' equity
Balance at 1 January 2021		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
Movements for the year ended 31 December 2021										
Total comprehensive income										
Net profit		-	-	-	-	-	1,529,329,304	1,529,329,304	31,919,150	1,561,248,454
Other comprehensive income	4(35)	-	-	(2,616,289)	-	-	-	(2,616,289)	-	(2,616,289)
Total comprehensive income		-	-	(2,616,289)	-	-	1,529,329,304	1,526,713,015	31,919,150	1,558,632,165
Capital increase or decrease from shareholder		-	-	-	-	-	-	-	2,000,000	2,000,000
Capital increase from minority shareholder		-	-	-	-	-	-	-	2,000,000	2,000,000
Profit distribution		-	-	-	-	107,939,088	(415,008,299)	(307,069,211)	-	(307,069,211)
Appropriation to surplus reserve	4(37)	-	-	-	-	107,939,088	(107,939,088)	-	-	-
Distribution to the shareholders	4(38)	-	-	-	-	-	(307,069,211)	(307,069,211)	-	(307,069,211)
Special reserve		-	-	-	(2,972,605)	-	-	(2,972,605)	-	(2,972,605)
Special reserve appropriate	4(36)	-	-	-	-	-	-	-	-	-
Special reserve used	4(36)	-	-	-	(2,972,605)	-	-	(2,972,605)	-	(2,972,605)
Balance at 31 December 2021		3,070,692,107	596,997,085	159,200,530	7,296,397	1,144,887,510	6,450,587,417	11,429,661,046	436,813,189	11,866,474,235

The accompanying notes form are attached as an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CSG HOLDING CO., LTD.

**COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Attributable to shareholders of parent company						Total shareholders' equity
	Share capital	Capital surplus	Less: Treasury share	Surplus reserve	Undistributed profits		
Balance at 1 January 2020	3,106,915,005	828,046,672	(118,066,397)	960,796,646	496,479,354	5,274,171,280	
Movements for the year ended 31 December 2020							
Total comprehensive income							
Net profit	-	-	-	-	906,971,361	906,971,361	
Total comprehensive income	-	-	-	-	906,971,361	906,971,361	
Capital increase or decrease from shareholder	(36,222,898)	(86,222,273)	118,066,397	-	-	(4,378,774)	
Share-based payments	(36,222,898)	(86,222,273)	118,066,397	-	-	(4,378,774)	
Profit distribution	-	-	-	90,697,136	(302,660,021)	(211,962,885)	
Appropriation to surplus reserve	-	-	-	90,697,136	(90,697,136)	-	
Distribution to the shareholders	-	-	-	-	(211,962,885)	(211,962,885)	
Capital reserve to share capital	-	-	-	-	-	-	
Balance at 31 December 2020	3,070,692,107	741,824,399	-	1,051,493,782	1,100,790,694	5,964,800,982	
Balance at 1 January 2021	3,070,692,107	741,824,399	-	1,051,493,782	1,100,790,694	5,964,800,982	
Movements for the year ended 31 December 2021							
Total comprehensive income							
Net profit	-	-	-	-	1,079,390,875	1,079,390,875	
Total comprehensive income	-	-	-	-	1,079,390,875	1,079,390,875	
Capital increase or decrease from shareholder	-	-	-	-	-	-	
Share-based payments	-	-	-	-	-	-	
Profit distribution	-	-	-	107,939,088	(415,008,299)	(307,069,211)	
Appropriation to surplus reserve	-	-	-	107,939,088	(107,939,088)	-	
Distribution to the shareholders	-	-	-	-	(307,069,211)	(307,069,211)	
Capital reserve to share capital	-	-	-	-	-	-	
Balance at 31 December 2021	3,070,692,107	741,824,399	-	1,159,432,870	1,765,173,270	6,737,122,646	

The accompanying notes form are attached as an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

1 General information

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 31 December 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, specialised glass, engineering glass, energy saving glass, silicon related materials, polycrystalline silicon and solar components and electronic-grade display device glass and the construction and operation of photovoltaic plant etc.

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

The financial statements were authorised for issue by the Board of Directors on 21 April 2022.

2 Summary of significant accounting policies and accounting estimates

The Group determines its specific accounting policies and accounting estimates to manufacturing and operation feature. It mainly reflected in expected credit impairment losses of receivables was measured, inventory costing method, Depreciation of fixed assets and amortization of intangible assets, criteria for determining capitalised development expenditure, and timing for revenue recognition.

Refer to the notes for details of the key judgements adopted by the Group in applying important accounting policies.

(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.

The financial statements have been prepared on a going concern basis.

(2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2021 are in compliance with the *Accounting Standards for Business Enterprises*, and truly and completely present the financial position of the consolidated and the Company as at 31 December 2021 and their financial performance, cash flows for the year then ended.

(3) Accounting year

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

(4) Recording currency

The recording currency is Renminbi (RMB).

(5) Business combinations

(a) Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the absorbing party in a business combination are measured at book value. If the merged party was acquired by the ultimate controlling party from a third party in the previous year, the assets and liabilities of the merged party (including the goodwill formed by the ultimate controlling party's acquisition of the merged party). 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 recognised amounts of the equity or debt securities.

(b) Business combinations involving enterprises 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 recognised 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 recognised 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 recognised amounts of the equity or debt securities.

(6) Preparation method 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 is 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 recognised 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) Cash and cash equivalents

Cash and cash equivalents refer to cash in hand, deposits that can be used for payment at any time, and investments with short holding periods, strong liquidity, easy conversion into known amounts of cash, and low risk of value changes.

(8) Foreign currency conversion

(a) Foreign currency transaction

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

On 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 recognised 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) Conversion 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 any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; (2) financial assets 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 recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are recognised 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 recognised 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 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 recognised 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, factoring receivables, loans and advances, other receivables and long-term receivables. Long-term receivables that are due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current assets.

Financial assets 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 recognised 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 at fair value through other comprehensive income, and financial guarantee contracts. based on expected credit losses (ECL) and recognizes allowances for losses.

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 .

On each balance sheet date, the expected credit losses of financial instruments at different stages are measured respectively. 12-month ECL provision is recognised for financial instruments in Stage 1 that have not had a significant increase in credit risk since initial recognition; lifetime ECL provision is recognised 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 recognised 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 recognises 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 factoring receivables arising from daily business activities such as selling commodities and providing labor services, the Group recognises the lifetime expected credit loss provision regardless of whether there exists a significant financing component

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 notes and accounts receivables 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 historical credit loss experience, combines current conditions and predictions of future economic conditions, and passes default risk exposure and future 12 The expected credit loss rate within a month or the entire duration is calculated as the expected credit loss.

The Group recognises 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 derecognised when any of the below criteria is met: (1) the contractual rights to receive the cash flows 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; or (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 are 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; Those with a maturity of less than one year (including one year) are listed as current liabilities; those with a maturity of more than one year but due within one year (including one year) from the balance sheet date are listed as non-current liabilities due within one year. The rest are listed as non-current liabilities.

A financial liability is derecognised or partly derecognised when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognised part of the financial liability and the consideration paid is recognised in profit or loss for the current period.

(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, and are measured at the lower of cost and net realisable value.

(b) Issued Inventory costing method

Cost 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.

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(10) Inventories (Cont'd)

(c) Amortisation methods of low value consumables and packaging materials

Turnover materials include low value consumables and packaging materials, which are expensed when issued.

(d) The determination of net realisable 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 realisable value. Net realisable 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) 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 recognised as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's

identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

Under the equity method, the Group recognises 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 book values 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 the shareholding of the Group in the investee remains unchanged. Book value 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 intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognised. 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.

(12) 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 real estate shall be terminated. The disposal income from the sale, transfer, scrapping or destruction of investment real estate 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.

(13) Fixed assets

(a) Recognition and initial measurement

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

Fixed assets are recognised 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 derecognised. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

(b) Depreciation methods

Fixed assets are depreciated using the life average 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 Book value 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:

	Estimated useful lives	Estimated net residual value	Annual depreciation rate
Buildings	20 to 35 years	5%	2.71% to 4.75%
Machinery and equipment	8 to 20 years	5%	4.75% to 11.88%
Transportation and others	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.

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

- (d) Disposal

A fixed asset is derecognised 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 recognised in profit or loss for the current period.

- (14) 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.

- (15) Borrowing costs

The borrowing costs 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 recognised 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 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.

- (16) Intangible assets

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 recognised as fixed assets.

(b) Patents and proprietary technologies

Patents 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 amortisation method

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

(e) Research and development

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 recognised 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 technique and capital to support the development of manufacturing technology and subsequent mass production; and the expenditure on manufacturing technology development can be reliably gathered.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development costs previously recognised as expenses are not recognised 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.

(f) Impairment of intangible assets

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

(17) Long-term prepaid expenses

Long-term prepaid expenses include the expenditures that have been incurred but should be recognised 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 amortisation.

(18) 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 on 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 recognised 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 recognised 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 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 book value, the corresponding impairment loss is recognised. 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 recognised, it will not be reversed for the value recovered in the subsequent periods.

(19) 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.

(a) 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 recognised 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.

(b) 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.

(c) 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 recognised 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.

(d) Termination 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 recognises 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 recognises costs or expenses related to the restructuring that involves the payment of termination benefits.

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

(20) Dividend distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved by the shareholders' meeting.

(21) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised 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 recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised 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 realised or the liability is settled.

Deferred tax assets are only recognised 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 utilised.

Deferred tax liabilities are recognised 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 utilised, the corresponding deferred tax assets are recognised.

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

- Deferred income tax assets and deferred income tax liabilities are related to the same tax payer within the Group and the same taxation authority; and,
- That tax entity within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

(22) 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. The Group makes the best estimate of the number of vesting equity instruments based on the latest obtained changes in the number of vested employees, whether the required performance conditions are met, and other follow-up information. 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 should be regarded as exercisable right, no matter the market conditions and non-vesting conditions are met 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, the increase of service are confirmed. 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.

(23) Revenue recognition

The Group recognises 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 recognises revenue. For export sales, the Group recognises the revenue when it finished clearing goods for export and deliver 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.

(24) Provisions

Business restructuring, provisions for product warranties, loss contracts etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

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 recognised 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.

(25) 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 recognised 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 grant 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 recognised as deferred income, and included in profit or loss over the periods in which the related costs are recognised; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognised 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 ordinary activities should be counted into non-operating income.

(26) Leases

A leasing is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time in return for consideration.

(a) The Group acts as the lessee

The Company recognizes the right-of-use assets on the commencement date of the lease term and recognizes the lease liabilities at the present value of the outstanding lease payments. The lease payments include fixed payments, as well as payments where there is reasonable certainty that a purchase option will be exercised or a lease option will be terminated. The variable rent determined based on a certain percentage of sales is not included in the lease payment, and is included in the current profit and loss when it actually occurs. The Group will list the non-liabilities within one year that lease liabilities will be paid one year. from the balance sheet date.

On the commencement date, the Company shall initially measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date, and any initial direct costs incurred by the lessee etc, less any lease incentives received, If ownership of the leased asset transfers to the Group at the end of the lease term, depreciation is calculated using the estimated useful life of the asset.

Otherwise, the right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets. Where the carrying amount of an asset or a cash generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, and has a low-value asset leases. The Group does not recognize the right-of-use assets and lease liabilities. The Group recognizes lease payments on short-term leases and leases of low-value assets in the related asset costs or profit or loss on a straight-line basis over the lease term.

The Group accounts for a lease modification as a separate lease if both:(1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate. Decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease. Other lease modifications will remeasure lease liabilities, and the group will make a corresponding adjustment to the right-of-use asset book value.

(b) The Group acts as the lessor

A lease that transfers substantially all the risks and rewards associated with the ownership of the leased asset is a finance lease. Other leases are operating leases.

(i) Operating lease

When the Company operates leased buildings, machinery and equipment, and means of transport, the rental income from operating leases shall be recognized in accordance with the straight-line method during the lease term. The Company will include variable rent determined based on a percentage of sales in rental income when it actually incurs. For any modification to an operating lease, the Group treats it as a new lease from the effective date of the modification, and the received or receivable lease payments related to the lease prior to the modification are treated as lease payments of the new lease.

(ii) Finance lease

On the beginning date of the lease term, the Company recognizes the finance lease receivables for finance leases and derecognizes related assets. The Company presents the finance lease receivables as long-term receivables, and the finance lease receivables received within one year (including one year) from the balance sheet date are presented as non-current assets due within one year.

(27) 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 recognised 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.

(28) 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:

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

The safety production costs is 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 recognised. The fixed assets are no longer be depreciated in future.

(29) 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: (1) the component is able to earn revenue and incur expenses from its ordinary activities; (2) 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 (3) 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.

(30) Critical accounting estimates and judgements

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 are subject to sufficient taxable income that

are 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 on 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.

(31) Significant changes in accounting policies and accounting estimates

In Dec 2018, the Ministry of Finance issued the revised "CAS No. 21—Leases" (hereinafter, the "New Leases Standard". The Group has adopted the New Leases Standard since 1 January 2021. For contracts signed prior to the date of initial application, the Group did not reassess whether they were, or contained, a lease. The Group choose to adjust the balance of retained earnings and other related items in the financial statements at the beginning of the year of initial adoption of such standard based on the cumulative effect of initial adoption of such standard, with no adjustment to the information for the comparable period. The impact of the implementation of the New Leases Standard changes on the financial statements is as follows:

(a) Leases

Item	December 31,2020	January 1,2021	Effected amount
Long-term prepaid expenses	10,381,937	741,179	(9,640,758)
Right-of-use assets	-	11,538,741	11,538,741
Current portion of non-current liabilities	927,531,709	928,352,462	820,753
Lease liability	-	1,077,230	1,077,230

Implementation of the new leasing standard has no impact on the relevant items of Parent financial statements at the beginning of the year of 2021.

3 Taxation

- (1) The main categories and rates of taxes applicable to the Group are set out below:

Category	Taxable basis	Tax rate
Enterprise income tax	Taxable income	0% to 25%
Value-added tax (“VAT”) (a)	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% to 13%
City maintenance and construction tax	VAT paid	1% to 7%
Educational surcharge	VAT paid	5%

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

- (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 2021 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 2021.

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 Shichuang Glass Co., Ltd. (“Hebei Shichuang”) 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 2021, 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 2021.

Yichang CSG Photoelectric Glass Co., Ltd. (“Yichang CSG Photoelectric”) passed review on a high and new tech enterprise in 2021, 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 2021.

Yichang CSG Display Co., Ltd (“Yichang CSG Display”) passed review on a high and new tech enterprise in 2021, 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 2021.

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”) passed review on a high and new tech enterprise in 2021, 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 2021.

Shenzhen CSG Applied Technology Co Ltd. (“Shenzhen Technology”) passed review on a high and new tech enterprise in 2021, 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 2021.

Dongguan CSG Crystal Yuxin Materials Co., Ltd. (“Dongguan Jing Yu Company”) passed review on a high and new tech enterprise in 2021 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 2021.

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 year.

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 year.

Xian CSG Energy Conservation Glass Co., Ltd. (“Xian 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 year.

Yichang CSG New Energy Co., Ltd. (“Yichang CSG New Energy”), Zhangzhou CSG Kibing PV Energy Co., Ltd. (“Zhangzhou CSG PV Energy”), Heyuang CSG Kibing PV Energy Co., Ltd. (“Heyang CSG”), and Shaoxing CSG Kibing New Energy Co., Ltd. (“Shaoxing CSG New Energy”), Xianning CSG PV Energy Co., Ltd. (“Xianning PV Energy”), Zhanjiang CSG New Energy Co., Ltd. (“Zhanjiang 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.

4 Notes to the consolidated financial statements

(1) Cash at bank and on hand

	31 December 2021	31 December 2020
Cash on hand	-	2,725
Cash at bank	2,453,477,573	1,463,954,484
Other cash balances	312,448,333	661,831,694
	<u>2,765,925,906</u>	<u>2,125,788,903</u>
Including: Total overseas deposits	<u>8,906,359</u>	<u>8,610,575</u>

Other cash balances include margin deposits etc, amounting to RMB 9,448,334 (31 December 2020: RMB1,760,707), which is restricted cash.

(2) Financial assets held for trading

	31 December 2021	31 December 2020
Financial assets at fair value through profit or loss		
-Structural deposits	<u>999,600,000</u>	<u>-</u>
	<u>999,600,000</u>	<u>-</u>

(3) Notes receivable

	31 December 2021	31 December 2020
Trade acceptance notes	39,999,790	207,966,892
Less: Provision for bad debts	<u>(20,778,806)</u>	<u>-</u>
	<u>19,220,984</u>	<u>207,966,892</u>

(a) As at 31 December 2021, notes receivable which have been endorsed or discounted by the Group but are not yet due are as follows:

	Derecognised	Not derecognised
Trade acceptance notes	<u>-</u>	<u>1,000,000</u>

(b) Notes receivable are analysed by category as follows:

	31 December 2021				31 December 2020			
	Carrying amount		Provision for bad debts		Carrying amount		Provision for bad debts	
	Amount	% of total balance	Provision for bad debts	%	Amount	% of total balance	Provision for bad debts	%
Provision for bad debts by groupings								
Portfolio 2	11,561,541	29%	-	-	207,966,892	100%	-	-
Provided for bad debts individually	<u>28,438,249</u>	<u>71%</u>	<u>(20,778,806)</u>	<u>73%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>39,999,790</u>	<u>100%</u>	<u>(20,778,806)</u>	<u>52%</u>	<u>207,966,892</u>	<u>100%</u>	<u>-</u>	<u>-</u>

- (c) As at 31 December 2021, the bad debts of receivables was RMB 28,438,249 (31 December 2020: RMB Nil) that to be provided individually. It mainly represented trade acceptance notes due from evergrande of the part of subsidiary, due to difficult to pay or deterioration of cash operations, the provision for bad debts was fully or partially accrued.
- (d) Notes receivable transferred to accounts receivable by the Group due to the drawer's non-performance at the end of the period:

	31 December 2021	31 December 2020
Trade acceptance notes	109,148,796	-
	<u>109,148,796</u>	<u>-</u>

- (4) Accounts receivable

	31 December 2021	31 December 2020
Accounts receivable	847,850,664	714,849,669
Less: Provision for bad debts	<u>(117,324,977)</u>	<u>(33,382,536)</u>
	<u>730,525,687</u>	<u>681,467,133</u>

- (a) The ageing of accounts receivable is analysed as follows:

	31 December 2021	31 December 2020
Within 1 year	707,668,488	613,693,950
1 to 2 years	57,430,422	51,071,700
2 to 3 years	43,952,579	30,876,459
Over 3 years	<u>38,799,175</u>	<u>19,207,560</u>
	<u>847,850,664</u>	<u>714,849,669</u>

- (b) Accounts receivable are analysed by category as follows:

	31 December 2021				31 December 2020			
	Carrying amount		Provision for bad debts		Carrying amount		Provision for bad debts	
	Amount	% of total balance	Provision for bad debts	%	Amount	% of total balance	Provision for bad debts	%
Provision for bad debts by groupings								
Portfolio 1	687,880,646	81%	(13,757,613)	2%	682,344,324	95%	(13,641,135)	2%
Portfolio 2	33,525	-	(671)	2%	223,200	-	(4,464)	2%
Provided for bad debts individually	<u>159,936,493</u>	19%	<u>(103,566,693)</u>	65%	<u>32,282,145</u>	5%	<u>(19,736,937)</u>	61%
	<u>847,850,664</u>	100%	<u>(117,324,977)</u>	14%	<u>714,849,669</u>	100%	<u>(33,382,536)</u>	5%

- (c) For accounts receivable provided for bad debts by portfolio, the expected credit impairment loss for the portfolio is as follows:

	31 December 2021			31 December 2020		
	Carrying amount	Provision for bad debts		Carrying amount	Provision for bad debts	
	Amount	Amount	%	Amount	Amount	%
Portfolio 1	687,880,646	(13,757,613)	2%	682,344,324	(13,641,135)	2%
Portfolio 2	<u>33,525</u>	<u>(671)</u>	2%	<u>223,200</u>	<u>(4,464)</u>	2%
	<u>687,914,171</u>	<u>(13,758,284)</u>	2%	<u>682,567,524</u>	<u>(13,645,599)</u>	2%

- (d) As at 31 December 2021, the bad debts of receivables was RMB 159,936,493 (31 December 2020: RMB32,282,145) that to be provided individually. It mainly represented the goods receivable due from

a client of the part of subsidiary, due to business dispute or deterioration of customer operations, the provision for bad debts was fully or partially accrued.

(e) Accounts receivables were written off amount of RMB 153,330 for this year, (31 December 2020: RMB 297,202).

(f) As at 31 December 2021, Total balances for the five largest accounts receivable set out as below:

	Balance	Provision for bad debts	Percentage in total accounts receivable balance
Total balances for the five largest accounts receivable	<u>221,637,483</u>	<u>(42,071,968)</u>	<u>26%</u>

(5) Receivables Financing

	31 December 2021	31 December 2020
Bank acceptance notes	<u>297,046,123</u>	<u>382,527,782</u>
	<u>297,046,123</u>	<u>382,527,782</u>

(a) As at 31 December 2021, receivables financing which have been endorsed or discounted by the Group but are not yet due are as follows:

	Derecognised	Not derecognised
Bank acceptance notes	<u>2,369,398,907</u>	<u>-</u>

(6) Advances to suppliers

(a) The ageing of prepayment is analysed below:

	31 December 2021		31 December 2020	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	74,971,763	98%	84,647,719	99%
1 to 2 years	486,849	1%	1,162,756	1%
2 to 3 years	520,498	1%	118,166	-
Over 3 years	118,166	-	-	-
	<u>76,097,276</u>	<u>100%</u>	<u>85,928,641</u>	<u>100%</u>

As at 31 December 2021, advances to suppliers over 1 year with a carrying amount of RMB1,125,513 (31 December 2020: RMB1,280,922) were mainly prepaid to supplier for materials, which were not fully settled since the materials had not been received.

(b) As at 31 December 2021, the five largest prepayment are analysed as follows:

	Balance	Percentage in total advances to suppliers balance
Total balances for the five largest advances to suppliers	<u>33,857,116</u>	<u>44%</u>

(7) Other receivables

	31 December 2021	31 December 2020
Receivables from special fund for talent	171,000,000	171,000,000

Payments made on behalf of other parties	47,686,819	18,672,346
Advances to suppliers(i)	10,366,164	10,366,164
Refundable deposits	9,191,412	6,723,194
Petty cash	497,273	969,748
Others	8,110,638	9,615,428
	<u>246,852,306</u>	<u>217,346,880</u>
Less: Provision for bad debts	<u>(63,155,595)</u>	<u>(16,377,026)</u>
	<u>183,696,711</u>	<u>200,969,854</u>

(i) The subsidiaries of Yingde CBM Mining Co., Ltd. mainly prepaid to supplier for materials. This year, the prepayments accounts are transferred to other receivables and the provision of the bad debts was provided individually in current year.

(a) The ageing of other receivables is analysed as follows:

	31 December 2021	31 December 2020
Within 1 year	43,535,751	9,644,914
1 to 2 years	3,139,416	5,528,931
2 to 3 years	599,575	4,491,997
3 to 4 years	2,226,669	2,154,911
4 to 5 years	2,060,967	725,287
Over 5 years	195,289,928	194,800,840
	<u>246,852,306</u>	<u>217,346,880</u>

(b) Other receivables are analysed by category as follows:

	31 December 2021				31 December 2020			
	Carrying amount		Provision for bad debts		Carrying amount		Provision for bad debts	
	Amount	% of total balance	Provision for bad debts	%	Amount	% of total balance	Provision for bad debts	%
Provision for bad debts by groupings								
Portfolio 1	64,955,857	26%	(1,162,378)	2%	205,106,845	94%	(4,136,991)	2%
Portfolio 2	207,380	-	(4,148)	2%	-	-	-	-
Provided for bad debts individually	181,689,069	74%	(61,989,069)	34%	12,240,035	6%	(12,240,035)	100%
	<u>246,852,306</u>	<u>100%</u>	<u>(63,155,595)</u>	<u>26%</u>	<u>217,346,880</u>	<u>100%</u>	<u>(16,377,026)</u>	<u>8%</u>

(c) The reason for the bad debts was provided individually as the payment will not be recoverable due to long aging time.

(d) For other receivables provided for bad debts by portfolio, the expected credit impairment loss for the portfolio is as follows:

	31 December 2021			31 December 2020		
	Carrying amount	Provision for bad debts		Carrying amount	Provision for bad debts	
	Amount	Amount	%	Amount	Amount	%
Portfolio 1	64,955,857	(1,162,378)	2%	205,106,845	(4,136,991)	2%
Portfolio 2	207,380	(4,148)	2%	-	-	-
	<u>65,163,237</u>	<u>(1,166,526)</u>	<u>2%</u>	<u>205,106,845</u>	<u>(4,136,991)</u>	<u>2%</u>

(e) Provision for bad debts

bad debts	Stage 1 Expected credit losses in the following 12 months (grouping)	Stage 2 Lifetime expected credit losses (credit unimpaired)	Stage 3 Lifetime expected credit losses (credit impaired)	Total
1 January 2021	4,136,991	-	12,240,035	16,377,026
Amounts in current year	-	-	-	-
— Transferred stage 2	-	-	-	-
— Transferred stage 3	(3,420,000)	-	3,420,000	-
— Reversed stage 2	-	-	-	-
— Reversed stage 1	-	-	-	-
Increased in current year	725,965	-	48,570,325	49,296,290
Reversed in current year	(276,430)	-	-	(276,430)
Write-off in current year	-	-	(2,241,291)	(2,241,291)
31 December 2021	<u>1,166,526</u>	<u>-</u>	<u>61,989,069</u>	<u>63,155,595</u>

(f) As at 31 December 2021, the top 5 largest other receivables are analysed as below:

	Nature of business	Balance	Ageing	Percentage in total other receivables balance	Provision for bad debts
Company A	Independent third party	171,000,000	Over 5Years	69%	(51,300,000)
Governmental departmentB	Independent third party	24,000,000	Within 1 year	10%	(480,000)
Governmental departmentC	Independent third party	11,556,004	Over 5Years	5%	(231,120)
Company D	Independent third party	10,366,164	Over 5Years	4%	(10,366,164)
Company E	Independent third party	5,570,340	Within 1 year	2%	(111,407)
		<u>222,492,508</u>		<u>90%</u>	<u>(62,488,691)</u>

(8) Inventories

(a) Inventories are summarised by category as follows:

	31 December 2021			31 December 2020		
	Carrying amount	Provision for decline in the value of inventories	Book value	Carrying amount	Provision for decline in the value of inventories	Book value
Raw materials	389,937,319	(1,002,085)	388,935,234	274,659,097	(1,756,185)	272,902,912
Work in progress	22,801,437	-	22,801,437	28,355,865	-	28,355,865
Finished goods	632,814,981	(5,829,059)	626,985,922	479,482,759	(9,369,218)	470,113,541
Turnover materials	55,480,764	(397,832)	55,082,932	44,603,984	(819,984)	43,784,000
	<u>1,101,034,501</u>	<u>(7,228,976)</u>	<u>1,093,805,525</u>	<u>827,101,705</u>	<u>(11,945,387)</u>	<u>815,156,318</u>

(b) Provision for decline in the value of inventories are analysed as follows:

	31 December 2020	Increase in current year	Reversal in current year	31 December 2021
Raw materials	1,756,185	-	(754,100)	1,002,085
Finished goods	9,369,218	4,311,293	(7,851,452)	5,829,059
Turnover materials	819,984	133,290	(555,442)	397,832
	<u>11,945,387</u>	<u>4,444,583</u>	<u>(9,160,994)</u>	<u>7,228,976</u>

(c) Provision for decline in the value of inventories is as follows:

	Basis for provision for decline in the value of inventories	Reasons of reversal of the decline in the value of inventories
Finished goods	The drop in product prices results in the difference as the net realizable value is lower than the book value	Sold
Raw materials	The amount of book value less net realisable value due to sluggish or damaged raw materials	Used
Turnover materials	The amount of book value less net realisable value due to sluggish or damaged raw materials	Used

(9) Other current assets

	31 December 2021	31 December 2020
VAT to be offset	128,033,622	110,350,299
Enterprise income tax prepaid	3,771,709	17,508,242
VAT input to be recognised	8,888,295	12,106,681
Others	11,672	66,322
	<u>140,705,298</u>	<u>140,031,544</u>

(10) Investment properties

Buildings and Land use rights

31 December 2020 383,084,500

Increased in current year:

Transfer from fixed assets and intangible assets in the current year	-
Fair value movements	-
31 December 2021	<u>383,084,500</u>

- (i) The company hired a third party evaluation agency with relevant qualifications to evaluate the Investment properties fair value and there was no changes comparing with the previous year by 31st December 2021.

(11) Fixed assets

	Buildings	Machinery and equipment	Motor vehicle: and others	Total
Cost				
31 December 2020	3,935,917,690	12,009,950,305	240,065,141	16,185,933,136
Increase in current year				
Acquisition	16,071,980	39,251,524	22,774,917	78,098,421
Transfers from construction in progress	229,633,673	264,782,295	8,824,241	503,240,209
Others	2,035,166	3,461,599	111,529	5,608,294
Decrease in current year				
Disposal or retirement	(3,194,063)	(260,778,969)	(13,962,843)	(277,935,875)
Transfer to construction in progress	-	(12,950,777)	-	(12,950,777)
Others	(4,973,213)	(3,409,506)	(626,971)	(9,009,690)
31 December 2021	4,175,491,233	12,040,306,471	257,186,014	16,472,983,718

Accumulated depreciation				
31 December 2020	1,000,672,653	4,982,036,862	221,652,650	6,204,362,165
Increase in current year				
Provision	129,805,541	741,229,765	22,284,630	893,319,936
Others	400,303	172,724	84,992	658,019
Decrease in current year				
Disposal or retirement	(1,529,427)	(185,718,048)	(12,553,353)	(199,800,828)
Transfer to construction in progress	-	(4,683,588)	-	(4,683,588)
Others	-	(246,280)	(757,576)	(1,003,856)
31 December 2021	1,129,349,070	5,532,791,435	230,711,343	6,892,851,848

Provision for impairment loss				
31 December 2020	34,966,687	800,882,872	76,843	835,926,402
Increase in current year				
Provision	13,540,697	210,148,841	201,732	223,891,270
Transfers from construction in progress	12,749,513	-	-	12,749,513
Decrease in current year				
Disposal or retirement	(1,355,749)	(57,580,667)	(13,925)	(58,950,341)
Transfer to construction in progress	-	-	-	-
31 December 2021	59,901,148	953,451,046	264,650	1,013,616,844

Book value

31 December 2021	2,986,241,015	5,554,063,990	26,210,021	8,566,515,026
31 December 2020	2,900,278,350	6,227,030,571	18,335,648	9,145,644,569

(a) Fixed assets with pending certificates of ownership

	Carrying amount	Reasons for not yet obtaining certificates of title
Buildings	<u>899,109,506</u>	Have submitted the required documents and are in the process of application, or the related land use right certificate pending

(12) Construction in progress

	31 December 2021			31 December 2020		
	Carrying amount	Provision for impairment loss	Book value	Carrying amount	Provision for impairment loss	Book value
Yichang CSG Polysilicon Technical Transformation Project	1,535,368,156	(857,890,185)	677,477,971	1,535,667,571	(594,037,334)	941,630,237
Anhui Fengyang Solar Equipment Lightweight High Tongue Plate Manufacturing Base Project	765,170,527	-	765,170,527	15,039,984	-	15,039,984
Qingyuan CSG Phase I Technological Transformation Project	297,932,280	(174,675,600)	123,256,680	413,852,963	-	413,852,963
Zhaoqing CSG high-end energy-saving glass production line project	279,138,811	-	279,138,811	47,026,508	-	47,026,508
Dongguan Photovoltaic Building B 450MWPERC Battery Technology Upgrade Project	186,866,743	(184,998,076)	1,868,667	204,801,994	-	204,801,994
Tianjin energy-saving coating production line purchase and upgrade project	95,225,037	-	95,225,037	-	-	-
Xianning CSG 1200T / D Ton Photovoltaic Packaging Material Production Line Project	66,449,089	-	66,449,089	-	-	-
Anhui Fengyang Quartz Sand Construction Project	56,656,483	-	56,656,483	1,775,552	-	1,775,552
Wujiang Project New Engineering Glass Intelligent Manufacturing Factory Construction Project	51,766,295	-	51,766,295	760,313	-	760,313
Wujiang float light-quality high-efficiency double glass processing production line construction project	39,032,912	-	39,032,912	3,572,478	-	3,572,478
Sapphire Project for LED	32,420,412	(32,420,412)	-	32,420,412	(32,420,412)	-
Zhaoqing CSG high-end automobile glass production line project	27,941,928	-	27,941,928	3,403,090	-	3,403,090
Hebei window ultra-thin electronic glass second line construction project	24,393,421	-	24,393,421	9,568,451	-	9,568,451
Dongguan solar double-glass extension technology transformation upgrade project	2,389,871	-	2,389,871	-	-	-
Dongguan solar energy processing production line project	551,795	-	551,795	56,711,889	(12,749,513)	43,962,376
Guangxi Beihai Photovoltaic Green Energy Industry Park (Phase I) Project	382,997	-	382,997	-	-	-
Others	275,679,766	(26,293,600)	249,386,166	207,986,665	-	207,986,665
	<u>3,737,366,523</u>	<u>(1,276,277,873)</u>	<u>2,461,088,650</u>	<u>2,532,587,870</u>	<u>(639,207,259)</u>	<u>1,893,380,611</u>

(a) Changes in major construction projects

Project name	Budget	31 December 2020	Increase in current year	Transfer to fixed assets in current year	Other decreases in current year	31 December 2021	Proportion between engineering input and budget (i)	Amount of borrowing costs capitalised	Including: Amount of borrowing costs capitalised in 2021	Capitalisation rate for in current year	Source of fund
Yichang CSG Polysilicon Technical Transformation Project	49,520,000	1,535,667,571	-	-	(299,415)	1,535,368,156	98%	-	-	-	Internal fund and bank loan
Anhui Fengyang Solar Equipment Lightweight High Tongue Plate Manufacturing Base Project	3,739,020,000	15,039,984	750,130,543	-	-	765,170,527	20%	2,445,498	2,445,498	4.33%	Internal fund and bank loan
Qingyuan CSG Phase I Technological Transformation Project	534,870,000	413,852,963	8,415,661	(124,336,344)	-	297,932,280	3%	-	-	-	Internal fund and bank loan
Zhaoqing CSG high-end energy-saving glass production line project	500,000,000	47,026,508	265,610,162	(33,497,859)	-	279,138,811	63%	4,154,925	4,064,358	3.80%	Internal fund and bank loan
Dongguan Photovoltaic Building B 450MWPERC Battery Technology Upgrade Project	100,990,000	204,801,994	5,976,556	(23,911,807)	-	186,866,743	1%	-	-	-	Internal fund and bank loan
Tianjin energy-saving coating production line purchase and upgrade project	114,945,000	-	95,225,037	-	-	95,225,037	83%	1,510,281	1,510,281	4.00%	Internal fund and bank loan
Xianning CSG 1200T / D Ton Photovoltaic Packaging Material Production Line Project	858,090,000	-	66,449,089	-	-	66,449,089	8%	5,123,167	5,123,167	5.21%	Internal fund and bank loan
Anhui Fengyang Quartz Sand Construction Project	739,990,000	1,775,552	54,880,931	-	-	56,656,483	8%	118,364	118,364	4.55%	Internal fund and bank loan
Wujiang Project New Engineering Glass Intelligent Manufacturing Factory Construction Project	179,140,610	760,313	51,005,982	-	-	51,766,295	29%	321,094	321,094	3.85%	Internal fund and bank loan
Wujiang float light-quality high-efficiency double glass processing production line construction project	158,850,000	3,572,478	36,829,770	(1,369,336)	-	39,032,912	25%	387,956	387,956	4.00%	Internal fund and bank loan
Sapphire Project for LED	35,000,000	32,420,412	-	-	-	32,420,412	93%	4,650,543	-	-	Internal fund and bank loan
Zhaoqing CSG high-end automobile glass production line project	609,830,000	3,403,090	24,538,838	-	-	27,941,928	5%	-	-	-	Internal fund and bank loan
Hebei window ultra-thin electronic glass second line construction project	284,964,800	9,568,451	14,835,899	(10,929)	-	24,393,421	9%	379	379	4.35%	Internal fund and bank loan
Dongguan solar double-glass extension technology transformation upgrade project	143,490,000	-	2,389,871	-	-	2,389,871	2%	-	-	-	Internal fund and bank loan
Dongguan solar energy processing production line project	76,140,000	56,711,889	51,651,067	(107,811,161)	-	551,795	75%	-	-	-	Internal fund and bank loan
Guangxi Beihai Photovoltaic Green Energy Industry Park (Phase I) Project	4,942,051,800	-	382,997	-	-	382,997	-	-	-	-	Internal fund and bank loan
Others	3,972,228,916	207,986,665	281,331,056	(212,302,773)	(1,335,182)	275,679,766	-	75,810	75,810	-	Internal fund and bank loan
	<u>17,039,121,126</u>	<u>2,532,587,870</u>	<u>1,709,653,459</u>	<u>(503,240,209)</u>	<u>(1,634,597)</u>	<u>3,737,366,523</u>		<u>18,788,017</u>	<u>14,046,907</u>		

(i) The proportion of project expenditure incurred to the budget is determined by the accumulative expenditures incurred divided by the total budget. Some of the projects are transferred to property, plant, and equipment because the construction is completed.

(b) Provision for impairment of construction in progress

Project name	31 December 2020	provision increased in current year	Decrease in current year	31 December 2021
Dongguan solar energy processing production line project	12,749,513	-	(12,749,513)	-
Sapphire Project for LED	32,420,412	-	-	32,420,412
Yichang CSG Polysilicon Technical Transformation Project	594,037,334	264,134,583	(281,732)	857,890,185
Dongguan Photovoltaic Building B 450MWPERC Battery Technology Upgrade Project	-	184,998,076	-	184,998,076
Qingyuan CSG Phase I Technological Transformation Project	-	174,675,600	-	174,675,600
Others	-	26,293,600	-	26,293,600
	<u>639,207,259</u>	<u>650,101,859</u>	<u>(13,031,245)</u>	<u>1,276,277,873</u>

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(13) Right-of-use assets

	Land	Buildings	Total
Cost			
31 December 2020	-	-	-
Changes to accounting policies	9,640,758	1,897,983	11,538,741
1 January 2021	9,640,758	1,897,983	11,538,741
Increased in current year	129,600	-	129,600
Decreased in current year	-	-	-
31 December 2021	9,770,358	1,897,983	11,668,341
Accumulated amortisation			
31 December 2020	-	-	-
Changes to accounting policies	-	-	-
1 January 2021	-	-	-
Increased in current year	-	-	-
Provision in current year	942,985	813,421	1,756,406
31 December 2021	942,985	813,421	1,756,406
Book value			
31 December 2021	8,827,373	1,084,562	9,911,935
31 December 2020	-	-	-

(14) Intangible assets and development expenditure

	Land use rights	Patents and proprietary technologies	Exploitation rights	Others	Total
Cost					
31 December 2020	1,104,513,769	412,396,040	4,572,365	41,871,072	1,563,353,246
Increased in current year					
Acquisition in current year	65,384,400	-	1,079,386	5,327,462	71,791,248
Transfers from development expenditure in current year	-	16,592,180	-	-	16,592,180
Decreased in current year					
Disposal	-	-	-	(485,294)	(485,294)
31 December 2021	1,169,898,169	428,988,220	5,651,751	46,713,240	1,651,251,380
Accumulated amortisation					
31 December 2020	207,220,415	161,295,114	4,462,351	37,446,631	410,424,511
Increased in current year					
Provision in current year	23,489,627	33,676,803	129,259	3,194,592	60,490,281

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Decreased in current year					
Disposal	-	-	-	(485,294)	(485,294)
31 December 2021	230,710,042	194,971,917	4,591,610	40,155,929	470,429,498

Provision for impairment loss

31 December 2020	-	13,201,347	-	9,133	13,210,480
31 December 2021	-	13,201,347	-	9,133	13,210,480

Book value

31 December 2021	939,188,127	220,814,956	1,060,141	6,548,178	1,167,611,402
31 December 2020	897,293,354	237,899,579	110,014	4,415,308	1,139,718,255

As at 31 December 2021, ownership certificates of land use rights (“Land ownership Certificates”) for certain land use rights of the Group with carrying amounts of approximately RMB 4,963,913 (cost: RMB 6,685,352) had not yet been obtained by the Group (31 December 2020: carrying amount: RMB 4,739,196, cost: RMB 6,586,712). The Company’s management are 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.

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The Group's expenditure is analysed below:

	31 December 2020	Increase in current year	Decrease in current year		31 December 2021
			Recognised as expenses	Recognised as intangible assets	
Development costs	49,153,407	39,458,135	-	(16,592,180)	72,019,362

In 2021, the total amount of research and development expenditures of the Group was RMB 551,196,983 (2020: RMB 434,641,497), including RMB 511,738,848 (2020: RMB 404,842,498) recorded in income statement for current period and the research and development expenditure with the amount of RMB 16,592,180 recognised as intangible assets for the current period (2020: 65,885,948). As at 31 December 2021, the intangible assets arising from internal research and development accounted for 20.47% of cost amount of intangible assets (31 December 2020: 20.56%).

(15) Goodwill

(a) Original Book value of goodwill

	31 December 2020	Increase in current year	Decrease in current year	31 December 2021
Tianjin CSG Architectural Glass Co., Ltd.	3,039,946	-	-	3,039,946
Xianning CSG Photoelectric	4,857,406	-	-	4,857,406
Shenzhen CSG Display(i)	389,494,804	-	-	389,494,804
	<u>397,392,156</u>	<u>-</u>	<u>-</u>	<u>397,392,156</u>

(b) Provision for impairment of goodwill

	31 December 2020	Increase in current year	Decrease in current year	31 December 2021
Shenzhen CSG Display(i)	164,016,463	103,227,834	-	267,244,297
	<u>164,016,463</u>	<u>103,227,834</u>	<u>-</u>	<u>267,244,297</u>

(i) The calculation of the impairment used the higher conclusions of the two future measurement methods of the present value of the expected future cash flow and the fair value minus the disposal expenses. The methods, assumptions, asset groups, etc. of the goodwill impairment test this year was consistent with the date of purchase and the previous year.

(i) Shenzhen CSG Display adopting the method of discounting future cashflow is with the following main hypotheses:

	2021	2020
income growth for the predicted period	1%-15%	-7%-21%
income growth for the stabilized period	0%	0%
gross profit margin	20%-24%	22%-27%
discount rate	<u>13%</u>	<u>12%</u>

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Combining with the prediction of the future business and independent third party appraisal institution, the Company's management considered that the goodwill was impaired RMB 103,227,834 as at 31 December 2021 (2020: RMB 81,722,063) .

(16) Deferred tax assets and liabilities

(a) Deferred tax assets before offsetting

	31 December 2021		31 December 2020	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairments	1,005,602,209	152,036,386	736,119,311	113,183,894
Tax losses	621,359,522	106,718,563	509,689,080	86,461,610
Government grants	165,972,475	25,755,549	175,322,807	27,297,200
Accrued expenses	7,908,397	1,186,260	7,184,597	1,077,690
Depreciation of fixed assets, etc	116,353,922	21,202,310	18,804,540	2,822,699
	<u>1,917,196,525</u>	<u>306,899,068</u>	<u>1,447,120,335</u>	<u>230,843,093</u>

Including:

Expected to be reversed within one year (inclusive)

26,402,235

11,504,204

Expected to be reversed after one year

280,496,833

219,338,889

306,899,068

230,843,093

(b) Deferred tax liabilities before offsetting

	31 December 2021		31 December 2020	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Depreciation of fixed assets	527,215,830	80,756,420	540,143,676	82,946,754
Investment real estate differences between tax rules and accounting rules	370,245,713	55,536,857	370,245,713	55,536,857
	<u>897,461,543</u>	<u>136,293,277</u>	<u>910,389,389</u>	<u>138,483,611</u>

Including:

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Expected to be reversed within one year (inclusive)	7,842,148	7,100,568
Expected to be reversed after one year	<u>128,451,129</u>	<u>131,383,043</u>
	<u>136,293,277</u>	<u>138,483,611</u>

(c) Deductible losses that are not recognised as deferred tax assets of the Group are analysed as follows:

	31 December 2021	31 December 2020
Deductible losses	<u>2,045,391,888</u>	<u>1,458,462,329</u>

The deductible tax losses not recognised as deferred tax assets mainly represented the tax losses of the Company and some subsidiaries. Management was unable to expect that whether there were taxable profit would be available in the future against which these deductible tax losses can be utilised, and accordingly, did not recognise the deferred tax assets.

(d) The tax losses for which no deferred tax assets were recognised will expire in the following years:

	31 December 2021	31 December 2020
2021	-	111,625,585
2022	83,303,539	83,303,539
2023	146,238,837	146,238,837
2024	178,208,832	178,208,832
2025	939,085,536	939,085,536
2026	<u>698,555,144</u>	<u>-</u>
	<u>2,045,391,888</u>	<u>1,458,462,329</u>

(e) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2021		31 December 2020	
	Net deferred tax assets or liabilities	Deductible/taxable temporary differences after offsetting	Net deferred tax assets or liabilities	Deductible/taxable temporary differences after offsetting
Deferred tax assets	255,185,923	1,579,256,701	194,979,414	1,214,859,410
Deferred tax liabilities	<u>84,580,132</u>	<u>559,521,719</u>	<u>102,619,932</u>	<u>678,128,464</u>

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(17) Other non-current assets

	31 December 2021	31 December 2020
Prepayment for equipment and project	469,352,622	186,849,445
Prepayment for lease of land use rights	14,810,000	6,510,000
Certificates of deposit	100,000,000	-
	<u>584,162,622</u>	<u>193,359,445</u>

(18) Impairment of asset

	31 December 2020	Increase in current year	Other Increased in current year	Reversal in current year	Written off in current year	Other decreased in current year	31 December 2021
Provision for bad debts	49,759,562	168,268,105	-	(14,373,668)	(2,394,621)	-	201,259,378
Including: Provision for bad debts of accounts receivable	33,382,536	98,193,009	-	(14,097,238)	(153,330)	-	117,324,977
Provision for bad debts of other receivables	16,377,026	49,296,290	-	(276,430)	(2,241,291)	-	63,155,595
Provision for decline in the value of inventories	-	20,778,806	-	-	-	-	20,778,806
Provision for decline in the value of inventories	11,945,387	4,444,583	-	-	(9,160,994)	-	7,228,976
Provision for impairment of fixed assets	835,926,402	223,891,270	12,749,513	-	(58,950,341)	-	1,013,616,844
Provision for impairment of construction in progress	639,207,259	650,101,859	-	-	(281,732)	(12,749,513)	1,276,277,873
Provision for impairment of intangible assets	13,210,480	-	-	-	-	-	13,210,480
Provision for impairment of goodwill	164,016,463	103,227,834	-	-	-	-	267,244,297
	<u>1,714,065,553</u>	<u>1,149,933,651</u>	<u>12,749,513</u>	<u>(14,373,668)</u>	<u>(70,787,688)</u>	<u>(12,749,513)</u>	<u>2,778,837,848</u>

(19) Short-term borrowings

	31 December 2021	31 December 2020
Credit loan	100,000,000	49,800,000
Guaranteed (i)	80,770,000	298,095,571
Mortgage loan	-	5,000,000
	<u>180,770,000</u>	<u>352,895,571</u>

(i) As at 31 December 2021, the Company provided its subsidiaries with guarantee for the short-term borrowings of RMB 80,770,000 (31 December 2020: RMB298,095,571).

As at 31 December 2021, the interest of short-term borrowings varied from 3.40% to 3.90% (31 December 2020: 2.05% to 4.20%).

(20) Notes payable

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	31 December 2021	31 December 2020
Trade acceptance notes	107,571,279	9,903,213
Bank acceptance notes	<u>293,091,434</u>	<u>134,947,979</u>
	<u>400,662,713</u>	<u>144,851,192</u>

All notes payable are due within one year.

(21) Accounts payable

	31 December 2021	31 December 2020
Materials payable	665,770,883	755,509,571
Equipment payable	268,623,795	209,292,511
Construction expenses payable	372,802,783	146,976,774
Freight payable	68,894,843	70,011,499
Utilities payable	47,260,003	49,441,605
Others	<u>5,499,005</u>	<u>6,601,091</u>
	<u>1,428,851,312</u>	<u>1,237,833,051</u>

As at 31 December 2021, the amount of accounts payable over 1 year was approximately RMB163,883,870 (31 December 2020: RMB120,702,169), which mainly comprised payables for construction and equipment. As the construction work had not passed the final acceptance test yet, the balance was not yet settled.

(22) Contract liabilities

	31 December 2021	31 December 2020
Advances for goods from customers	<u>335,188,642</u>	<u>296,776,624</u>

(23) Employee benefits payable

	31 December 2021	31 December 2020
Short-term employee benefits payable (a)	426,027,259	342,315,790
Defined contribution plans payable (b)	11,722	461
Termination benefits(c)	<u>173,998</u>	<u>35,915</u>
	<u>426,212,979</u>	<u>342,352,166</u>

(a) Short-term employee benefits

31 December 2020	Increase in current year	Decrease in current year	31 December 2021
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Wages and salaries, bonus,

allowances and subsidies	322,617,585	1,623,933,822	(1,543,835,057)	402,716,350
Social security contributions	5,288	51,620,713	(51,620,193)	5,808
Including: Medical insurance	4,957	45,408,305	(45,408,165)	5,097
Work injury insurance	-	3,517,365	(3,517,074)	291
Maternity insurance	331	2,695,043	(2,694,954)	420
Housing funds	1,018,185	39,944,719	(40,004,106)	958,798
Labour union funds and employee education funds	18,674,732	19,167,710	(15,496,139)	22,346,303
	<u>342,315,790</u>	<u>1,734,666,964</u>	<u>(1,650,955,495)</u>	<u>426,027,259</u>

(b) Defined contribution plans

	31 December 2020	Increase in current year	Decrease in current year	31 December 2021
Basic pensions	444	119,161,500	(119,150,300)	11,644
Unemployment insurance	17	3,943,330	(3,943,269)	78
	<u>461</u>	<u>123,104,830</u>	<u>(123,093,569)</u>	<u>11,722</u>

(c) Dismissal benefits

	31 December 2020	Increase in current year	Decrease in current year	31 December 2021
Other dismissal welfare	35,915	6,275,084	(6,137,001)	173,998
	<u>35,915</u>	<u>6,275,084</u>	<u>(6,137,001)</u>	<u>173,998</u>

(24) Taxes payable

	31 December 2021	31 December 2020
Enterprise income tax payable	81,469,865	90,295,709
VAT payable	77,539,743	82,055,265
Housing property tax payable	4,126,693	3,937,112
Individual income tax payable	4,947,559	3,600,603
City maintenance and construction tax payable	5,853,393	6,414,982
Educational surcharge payable	4,662,534	4,762,191
Environmental tax payable	1,674,797	1,901,375
Others	4,735,097	1,953,834
	<u>185,009,681</u>	<u>194,921,071</u>

(25) Other payables

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	31 December 2021	31 December 2020
Interest payable	95,001,362	132,133,902
Other payables	<u>194,439,115</u>	<u>155,199,090</u>
	<u>289,440,477</u>	<u>287,332,992</u>

1、 Interest payable

	31 December 2021	31 December 2020
Interest of medium-term notes	-	37,955,556
Interest of long-term borrowings with periodic payments of interest and return of principal at maturity	2,558,374	1,590,247
Interest of short-term borrowings	184,923	330,034
Interest of corporate bonds	<u>92,258,065</u>	<u>92,258,065</u>
	<u>95,001,362</u>	<u>132,133,902</u>

2、 Other payables

	31 December 2021	31 December 2020
Guarantee deposits received from construction contractors	101,467,608	77,932,889
Provision for operating costs and expenses (i)	51,592,989	38,943,663
Payable for contracted labour costs	21,273,645	16,548,708
Temporary receipts for third parties	6,033,599	10,298,957
Deposit for disabled	5,796,364	4,680,725
Other	<u>8,274,910</u>	<u>6,794,148</u>
	<u>194,439,115</u>	<u>155,199,090</u>

(i) It represented the payment made to external third parties arising from undertaking the rights of debtor and creditor, comprising water and electricity, professional service fee and travelling expenses etc.

(26) Current portion of non-current liabilities

	31 December 2021	31 December 2020
Current portion of long-term borrowings		
- Guaranteed	66,098,352	127,531,709
- Credit loan	400,000,000	
Medium term notes due within 1 year	-	800,000,000
Long-term account payable due within 1 year	36,865,104	-
Leases liabilities due within one year	<u>857,092</u>	-

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	<u>503,820,548</u>	<u>927,531,709</u>
(27) Other current liabilities		
	31 December 2021	31 December 2020
Output VAT to be transferred	39,799,309	34,286,292
Other	<u>300,000</u>	<u>300,000</u>
	<u>40,099,309</u>	<u>34,586,292</u>

(28) Long-term borrowings		
	31 December 2021	31 December 2020
Guaranteed	779,059,824	153,253,983
Credit loan	<u>690,000,000</u>	<u>700,000,000</u>
	<u>1,469,059,824</u>	<u>853,253,983</u>

(i) As at 31 December 2021, the interest of long-term borrowings varied from 4.00% to 4.60% (31 December 2020: 3.40% to 4.60%).

(29) Bonds payable		
	31 December 2021	31 December 2020
Corporate bonds	<u>1,996,587,330</u>	<u>1,994,020,348</u>
	<u>1,996,587,330</u>	<u>1,994,020,348</u>

Debentures name	Par value	Date of issue	Term	Issue amount	31 December 2020	Interest accrued at par value	Amortisation of premium/discount	31 December 2021
		2020-3-24						
20 CSG 01	100	To 2020-3-25	2020-3 years	2,000,000,000	1,994,020,348	120,000,000	2,566,982	1,996,587,330
				<u>2,000,000,000</u>	<u>1,994,020,348</u>	<u>120,000,000</u>	<u>2,566,982</u>	<u>1,996,587,330</u>

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

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(30) Lease liabilities

	31 December 2021	31 December 2020
Lease payments	1,077,230	-
Less: Current portion of non-current liabilities	(857,092)	-
	<u>220,138</u>	<u>-</u>

(31) Long-term account payable

	31 December 2021	31 December 2020
Finance lease payable	<u>168,258,062</u>	-

(32) Deferred income

	31 December 2021	31 December 2020
Government grants	<u>564,129,128</u>	<u>498,056,081</u>

Government grants are analysed as follows:

	31 December	Increase in	Other	Non-operating	31 December	Assets/Income
	2020	current year	decrease in	income in current	2021	related
Government grants			current year	year		
Tianjin energy saving gold solar project (i)	43,592,443	-	-	(3,374,892)	40,217,551	Assets related
Dongguan project gold solar project (ii)	35,075,250	-	-	(2,751,000)	32,324,250	Assets related
Hebei South Bolk Sun Project (iii)	35,750,000	-	-	(2,750,000)	33,000,000	Assets related
Xianning South Bolt Solar Engineering Project (iv)	38,891,417	-	-	(3,030,500)	35,860,917	Assets related
Wu Jiangnan infrastructure compensation (v)	27,504,284	-	-	(4,041,538)	23,462,746	Assets related
Qingyuan energy-saving project (vi)	14,176,616	-	-	(3,267,449)	10,909,167	Assets related
Yichang polysilicon project (vii)	13,359,375	-	-	(2,812,500)	10,546,875	Assets related
Yichang Nanolate Silicon Molding Project (viii)	18,456,685	3,000,000	-	(2,355,719)	19,100,966	Assets related
Sichuan energy-saving glass project (ix)	5,513,400	-	-	(1,654,020)	3,859,380	Assets related
Group coating laboratory project (x)	2,401,800	-	-	(901,800)	1,500,000	Assets related
Yichang high-purity silicon material project (xi)	2,720,797	-	-	(303,178)	2,417,619	Assets related
Yichang semiconductor silicon material project (xii)	2,866,666	-	-	-	2,866,666	Assets related
Yichang Display Company Project (xiii)	43,233,170	-	-	(2,667,813)	40,565,357	Assets related
Xianning Optoelectronics Project (xiv)	6,760,000	-	-	(520,000)	6,240,000	Assets related
Shenzhen medical equipment subsidy project (xv)	8,342,000	-	-	(1,164,000)	7,178,000	Assets related
Hebei float emission reward (xvi)	-	9,600,000	-	(244,586)	9,355,414	Assets related
Group Talent Fund Project (xvii)	171,000,000	-	-	-	171,000,000	Income related
Zhaoqing energy-saving industry to build financial support funds (xviii)	-	92,718,500	-	(5,462,789)	87,255,711	Income related

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					Related assets/Income related
Others	<u>28,412,178</u>	<u>1,142,500</u>	<u>-</u>	<u>(3,086,169)</u>	<u>26,468,509</u>
	<u>498,056,081</u>	<u>106,461,000</u>	<u>-</u>	<u>(40,387,953)</u>	<u>564,129,128</u>

- (i) The allowance was granted by Tianjin Municipal Government. The allowance was used for establishing PV power station by Tianjin Energy Conservation Company. The facilities belonged to Tianjin Energy Conservation Company. 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 was granted by Guangdong Province and which was a pilot project for strategic emerging industry clusters development and 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 Yi Chang CSG polysilicon Materials 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 grant will be amortised and credited to income statement in the estimated useful life of the relevant fixed assets.

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- (xi) It represented the funds granted by Hubei local government for inport 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 Yongqing County Ecological Environment Bureau. and Hebei CSG. is used to produce line drop emission transformation, and the grant will be amortised and credited to income statement in the residual life of the relevant fixed assets.
- (xvii) 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 who are working at Yichang or plane to introduction, RMB171 million fund was set up, as a special fund for talent introduction and housing resettlement.
- (xviii) The allowance was granted by Administrative Commission of Guangdong Provincial Department of Finance is a provincial industry to jointly establish financial support funds which is used to Z the development of enterprises, production and operation, and other expenditure for Zhaoqing Energy Saving Company.

(33) Share capital

	Movement for the year ended 31 December 2021					
	31 December 2020	New issues during the year	Bonus issue	Capitalisation	Others	31 December 2021
RMB-denominated ordinary shares	1,961,323,047	-	-	-	-	1,961,323,047
Domestically listed foreign shares	<u>1,109,369,060</u>	-	-	-	-	<u>1,109,369,060</u>
	<u>3,070,692,107</u>	-	-	-	-	<u>3,070,692,107</u>

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	31 December 2019	Movement for the year ended 31 December 2020				31 December 2020
		New issues during the year	Bonus issue	Capitalisation	Others	
RMB-denominated ordinary shares	1,961,323,047	-	-	-	-	1,961,323,047
Limited selling condition shares	36,222,898	-	-	-	(36,222,898)	-
Domestically listed foreign shares	1,109,369,060	-	-	-	-	1,109,369,060
	<u>3,106,915,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,222,898)</u>	<u>3,070,692,107</u>

The par value of the RMB-denominated ordinary shares is RMB1, and that of domestically listed foreign shares is HKD1.

(34) Capital surplus

	31 December 2020	Increase in current year	Decrease in current year	31 December 2021
Share premium	655,424,260	-	-	655,424,260
Other capital surplus	(58,427,175)	-	-	(58,427,175)
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method	757,420	-	-	757,420
Share-based payment	-	-	-	-
Transfer of capital surplus recognised under the previous accounting system	(2,250,222)	-	-	(2,250,222)
Disposal of fractional shares	1,316,208	-	-	1,316,208
Purchase of minority interests	(87,197,562)	-	-	(87,197,562)
Shareholders interest-free loans	28,946,981	-	-	28,946,981
	<u>596,997,085</u>	<u>-</u>	<u>-</u>	<u>596,997,085</u>

	31 December 2019	Increase in current year	Decrease in current year	31 December 2020
Share premium	738,834,850	-	(83,410,590)	655,424,260
Other capital surplus	(55,615,492)	-	(2,811,683)	(58,427,175)
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method	757,420	-	-	757,420
Share-based payment	2,811,683	-	(2,811,683)	-
Transfer of capital surplus recognised under the previous accounting system	(2,250,222)	-	-	(2,250,222)
Disposal of fractional shares	1,316,208	-	-	1,316,208
Purchase of minority interests	(87,197,562)	-	-	(87,197,562)
Shareholders interest-free loans	28,946,981	-	-	28,946,981
	<u>683,219,358</u>	<u>-</u>	<u>(86,222,273)</u>	<u>596,997,085</u>

(35) Other comprehensive income

Other comprehensive income in Income Statement for the year ended 31 December 2021								
	31 December 2020	Attributable to parent company after tax	31 December 2021	Actual amount before tax for current year	Less: Reclassification of previous other comprehensive income to profit or loss in current year	Less: Income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax
Other comprehensive income items which will be reclassified subsequently to profit or loss								
Financial rewards for energy-saving technical retrofits	2,550,000	-	2,550,000	-				
Difference on translation of foreign currency financial statements	(1,884,978)	(2,616,289)	(4,501,267)	(2,616,289)			(2,616,289)	
Income generated when self-property and land use rights are converted into investment property	161,151,797	-	161,151,797	-				
	<u>161,816,819</u>	<u>(2,616,289)</u>	<u>159,200,530</u>	<u>(2,616,289)</u>			<u>(2,616,289)</u>	
Other comprehensive income in Income Statement for the year ended 31 December 2020								
	31 December 2019	Attributable to parent company after tax	31 December 2020	Actual amount before tax for current year	Less: Reclassification of previous other comprehensive income to profit or loss in current year	Less: Income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax
Other comprehensive income items which will be reclassified subsequently to profit or loss								
Financial rewards for energy-saving technical retrofits	2,550,000	-	2,550,000	-				
Difference on translation of foreign currency financial statements	4,015,864	(5,900,842)	(1,884,978)	(5,900,842)			(5,900,842)	
Income generated when self-property and land use rights are converted into investment property		- 161,151,797	161,151,797	189,590,349		28,438,552	161,151,797	
	<u>6,565,864</u>	<u>155,250,955</u>	<u>161,816,819</u>	<u>183,689,507</u>		<u>28,438,552</u>	<u>155,250,955</u>	

(36) Special reserve

	31 December 2020	Increase in current year	Decrease in current year	31 December 2021
Safety production costs	10,269,002	-	(2,972,605)	7,296,397

The subsidiary Yichang CSG PolysSilicon is a high risk chemical production enterprise. Therefore, the Company appropriated such reserve in accordance with relevant regulations.

(37) Surplus reserve

	31 December 2020	Increase in current year	Decrease in current year	31 December 2021
Statutory surplus reserve	909,095,854	107,939,088	-	1,017,034,942
Discretionary surplus reserve	127,852,568	-	-	127,852,568
	<u>1,036,948,422</u>	<u>107,939,088</u>	<u>-</u>	<u>1,144,887,510</u>

	31 December 2019	Increase in current year	Decrease in current year	31 December 2020
Statutory surplus reserve	818,398,718	90,697,136	-	909,095,854
Discretionary surplus reserve	127,852,568	-	-	127,852,568
	<u>946,251,286</u>	<u>90,697,136</u>	<u>-</u>	<u>1,036,948,422</u>

In accordance with the *Company Law of the People's Republic of China* and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid-in capital after approval from the appropriate authorities. The Company accrued statutory surplus reserve at the amount of RMB 107,939,088 based on 10% of the net profit, in 2021 (2020: RMB 90,697,136 accrued at 10% of the net profit).

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the share capital after approval from the appropriate authorities. The Company did not appropriate to discretionary surplus reserve during the year.

(38) Undistributed profits

	2021	2020
Undistributed profit at the beginning of year	5,336,266,412	4,859,600,841
Add: Net profits attributable to shareholders of parent company	1,529,329,304	779,325,592
Less: Appropriation for statutory surplus reserve	(107,939,088)	(90,697,136)
Ordinary share dividends payable (a)	<u>(307,069,211)</u>	<u>(211,962,885)</u>
Undistributed profits at end of year	<u>6,450,587,417</u>	<u>5,336,266,412</u>

- (a) Pursuant to the resolution of Board of Directors of the Company on 7 May 2021, the Company paid cash dividends of RMB 1 (tax inclusive) for each 10 shares based on total shares of 3,070,692,107, with the total cash dividends distributed of RMB 307,069,211 (tax inclusive).

(39) Revenue and cost of sales

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	2021	2020
Revenue from main operations	13,495,790,939	10,586,819,348
Revenue from other operations	133,242,711	84,434,097
	<u>13,629,033,650</u>	<u>10,671,253,445</u>

	2021	2020
Cost of sales from main operations	8,827,529,958	7,441,135,985
Cost of sales from other operations	21,958,135	3,329,746
	<u>8,849,488,093</u>	<u>7,444,465,731</u>

(a) Revenue and cost of sales from main operations

Revenue and cost of sales from main operations analysed by industry and product are set out below:

	2021		2020	
	Revenue	Cost	Revenue	Cost
Glass industry	10,992,359,659	7,061,394,960	8,648,968,925	5,978,411,008
Electronic glass and display	1,875,794,696	1,220,707,376	1,080,294,536	755,486,558
Solar and other industries	870,025,461	787,816,499	918,644,331	768,326,863
Elimination	<u>(242,388,877)</u>	<u>(242,388,877)</u>	<u>(61,088,444)</u>	<u>(61,088,444)</u>
	<u>13,495,790,939</u>	<u>8,827,529,958</u>	<u>10,586,819,348</u>	<u>7,441,135,985</u>

(b) Revenue and cost of sales from other operations

	2021		2020	
	Revenue	Cost	Revenue	Cost
Sales of raw materials and Others	133,242,711	21,958,135	84,434,097	3,329,746
	<u>133,242,711</u>	<u>21,958,135</u>	<u>84,434,097</u>	<u>3,329,746</u>

(40) Taxes and surtax

	2021	2020
City maintenance and construction tax	40,516,097	35,628,490
Educational surcharge	35,188,375	29,987,714
Housing property tax	32,643,067	28,957,233
Land use rights	23,513,848	12,958,802
Stamp tax	8,559,125	5,074,506
Environmental tax	6,836,101	7,731,103
Others	1,398,805	1,560,674
	<u>148,655,418</u>	<u>121,898,522</u>

(41) Selling expenses

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	2021	2020
Employee benefits	183,925,526	151,981,631
Entertainment fees	20,359,285	18,142,648
Business travel expenses	8,791,046	7,092,008
Freight expenses	8,738,363	12,684,512
Vehicle use fees	8,505,855	7,664,729
Rental expenses	7,422,419	6,846,194
Depreciation expenses	803,741	908,207
Others	32,149,198	28,599,009
	<u>270,695,433</u>	<u>233,918,938</u>
 (42) Administrative expenses		
	2021	2020
Employee benefits	441,265,481	345,024,244
Depreciation expenses	68,995,374	60,876,687
Amortisation of intangible assets	60,490,281	58,303,184
General office expenses	30,570,337	29,724,065
Labour union funds	19,409,807	14,096,131
Entertainment fees	19,772,396	13,021,278
Business travel expenses	7,657,160	6,555,071
Utility fees	5,551,260	6,571,509
Canteen costs	8,389,711	7,475,271
Vehicle use fees	6,399,995	5,515,675
Consulting advisers	21,279,093	17,515,445
Shutdown loss	-	43,071,647
Others	62,824,612	59,226,354
	<u>752,605,507</u>	<u>666,976,561</u>
 (43) Research and development expenses		
	2021	2020
Research and development expenses	511,738,848	404,842,498
	<u>511,738,848</u>	<u>404,842,498</u>
 (44) Financial expenses		
	2021	2020
Interest on borrowings	202,905,070	282,470,740
Less: Capitalised interest	(14,046,907)	(9,162,681)
Interest expenses	188,858,163	273,308,059
Less: Interest income	(42,702,029)	(53,404,661)

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Exchange losses	2,721,960	(1,688,559)
Others	2,304,097	5,797,081
	<u>151,182,191</u>	<u>224,011,920</u>

(45) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses, research and development expenses in the income statement are listed as follows by nature:

	2021	2020
Changes in inventories of finished goods and work in progress	(147,777,794)	45,430,285
Consumed raw materials and low value consumables, etc.	5,221,358,883	4,061,391,717
Fuel fee	1,461,994,755	1,281,713,451
Employee benefits	1,761,698,146	1,424,069,878
Depreciation and amortisation expenses	955,997,061	923,292,967
Utility fees	602,529,940	541,569,991
Freight expenses	173,156,501	154,114,713
General office expenses	44,661,748	45,667,757
Canteen costs	37,879,067	35,705,412
Business travel expenses	21,895,145	16,682,603
Entertainment fees	45,541,461	34,020,807
Vehicle use fee	16,091,881	14,285,144
Rental expenses	18,631,989	21,279,601
Others	170,869,098	150,979,402
	<u>10,384,527,881</u>	<u>8,750,203,728</u>

(46) Gains arising from changes in fair value

	2021	2020
Investment real estate measured at fair value	-	179,911,200
	<u>-</u>	<u>179,911,200</u>

(47) Investment income

	2021	2020
Income from structural deposits etc	16,847,647	2,654,504
	<u>16,847,647</u>	<u>2,654,504</u>

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(48)	Other income		
		2021	2020
	Government subsidy amortization	40,387,953	35,444,848
	Industry support funds	4,315,700	4,063,000
	Research grants	11,171,171	9,531,120
	Government incentive funds	31,591,282	29,508,022
	Others	18,999,711	21,013,410
		<u>106,465,817</u>	<u>99,560,400</u>
(49)	Credit impairment losses		
		2021	2020
	Losses on bad debts of accounts receivable	84,095,771	5,120,629
	Losses on bad debts of other receivables	49,019,860	601,990
	Losses on bad debts of Notes receivables	20,778,806	-
		<u>153,894,437</u>	<u>5,722,619</u>
(50)	Asset impairment losses		
		2021	2020
	Impairment loss of fixed assets	223,891,270	428,132,973
	Decline in the value of inventories	4,444,583	9,712,924
	Impairment loss in construction in progress	650,101,859	218,940,134
	Impairment loss in goodwill	103,227,834	81,722,063
		<u>981,665,546</u>	<u>738,508,094</u>
(51)	Asset disposal income		
		2021	2020
	Gains on disposal of non-current assets	<u>(1,493,248)</u>	<u>(1,158,984)</u>
		<u>(1,493,248)</u>	<u>(1,158,984)</u>

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(52) Non-operating income	2021	2020	Amount of non-recurring gains and losses included in 2021
Government grants	-	100,000	-
Compensation income	2,945,158	2,985,667	2,945,158
Amounts unable to pay	5,229,842	4,572,559	5,229,842
Others	4,429,534	6,711,613	4,429,534
	<u>12,604,534</u>	<u>14,369,839</u>	<u>12,604,534</u>

(53) Non-operating expenses	2021	2020	Amount of non-recurring gains and losses included in 2021
Compensation	256,750	1,507,494	256,750
Donation	319,746	17,321,288	319,746
Government subsidy return back	15,028,336	-	15,028,336
Others	10,525,912	1,725,613	10,525,912
	<u>26,130,744</u>	<u>20,554,395</u>	<u>26,130,744</u>

(54) Income tax expenses	2021	2020
Current income tax	434,400,038	238,941,249
Deferred income tax	(78,246,309)	54,796,896
	<u>356,153,729</u>	<u>293,738,145</u>

Reconciliation of income tax calculated at the applicable tax rate based on total profit in the consolidated income statement to the income tax expenses is listed below:

	2021	2020
Total profit	<u>1,917,402,183</u>	<u>1,105,691,126</u>
Income tax expenses calculated at applicable tax rates by company	324,483,014	181,218,682
Effect of changes in tax rates	2,971,669	-
Costs, expenses and losses not deductible for tax purposes	3,970,483	2,517,415
Deductible losses of unrecognised deferred income tax assets in the previous period	(6,855,521)	(2,772,095)
Deductible losses for which no deferred tax asset was recognised in current period	105,049,758	161,018,094

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Effect of tax incentives	(71,109,609)	(42,340,548)
Reconciliation of income tax for prior years in annual filing	(2,356,065)	(5,903,403)
Income tax expenses	<u>356,153,729</u>	<u>293,738,145</u>

(55) Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding.

The numerator of diluted earnings per share is determined based on the net profit attributable to the common shareholders of the company's common stock. The following factors are adjusted to determine: (1) interest on dilutive potential ordinary shares that have been recognized as expenses in the current period; (2) dilutive potential ordinary The income or expenses that will be generated when the shares are converted; (3) The above-mentioned adjustments related to income tax effects.

The denominator of the diluted earnings per share equals the sum of: (1) the weighted average number of ordinary shares of the parent company in the underlying earnings per share; (2) ordinary shares that are increased assuming the dilution of potential ordinary shares into common shares The weighted average.

When calculating the weighted average of the number of ordinary shares increased from diluted common stocks to ordinary shares, the diluted potential ordinary shares issued during the previous period are assumed to be converted at the beginning of the current period; diluted potential ordinary shares of the current period are issued, assuming a conversion on the issue date.

The basic calculation of basic earnings per share and diluted earnings per share are as follows:

(a) Basic earnings per share:

Basic earnings per share is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares issued by the parent company.

	2021	2020
Consolidated net profit attributable to ordinary shareholders of parent company	1,529,329,304	779,325,592
Weighted average number of outstanding ordinary	3,070,692,107	3,070,692,107
Basic earnings per share	<u>0.50</u>	<u>0.25</u>

(b) Diluted earnings per share:

Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. For the year ended 31 December 2021, the Company had diluted earnings per shares of RMB 0.50 (2020: RMB 0.25 per share).

(56) Notes to the cash flow statement

(a) Cash generated by other operating activities

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	2021	2020
Government grants	172,538,864	83,690,924
Interest income	42,702,029	53,404,661
Others	45,790,381	40,668,625
	<u>261,031,274</u>	<u>177,764,210</u>
 (b) Cash paid relating to other operating activities		
	2021	2020
Freight expenses	10,850,337	50,765,589
Canteen costs	38,269,921	38,460,290
General office expenses	42,874,346	39,088,171
Business travel expenses	21,292,700	17,586,616
Entertainment fees	40,958,494	31,779,755
Vehicle use fee	15,575,367	12,831,298
Maintenance fee	25,907,924	22,961,067
Rental expenses	23,997,442	22,006,257
Insurance	14,037,127	13,934,943
Fees	2,304,097	5,797,081
Consulting advisers	23,166,436	24,030,410
Government subsidy return back	15,028,336	-
Others	166,575,025	143,813,446
	<u>440,837,552</u>	<u>423,054,923</u>
 (c) Cash generated by other investing activities		
	2021	2020
Entrusted Loan	-	300,000,000
Income from trial production of construction in progress	59,262,312	124,382,895
Deposit	21,682,371	10,794,429
	<u>80,944,683</u>	<u>435,177,324</u>
 (d) Cash paid relating to other investing activities		
	2021	2020
Trial production expenditure in construction	56,312,270	118,741,948
Advance payment for others	24,000,000	-
	<u>80,312,270</u>	<u>118,741,948</u>
 (e) Cash generated by other financing activities		

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	2021	2020
Income from finance lease	200,000,000	-
Received deposit and security deposit	<u>-</u>	<u>153,698,226</u>
	<u>200,000,000</u>	<u>153,698,226</u>
 (f) Cash payments relating to other financing activities		
	2021	2020
Repay financing leases	-	478,319,392
Payment of loan, security and fee for bills	-	3,460,879
Equity incentive fund	<u>-</u>	<u>122,445,171</u>
	<u>-</u>	<u>604,225,442</u>
 (57) Supplementary information to the cash flow statement		
(a) Reconciliation from net profit to cash flows from operating activities		
	2021	2020
Net profit	1,561,248,454	811,952,981
Add: Provision for asset impairment	981,665,546	738,508,094
Provision for credit impairment	153,894,437	5,722,619
Depreciation of fixed assets	893,319,936	863,408,582
Amortisation of intangible assets	60,490,281	58,303,184
Amortisation of long-term prepaid expenses	430,438	1,581,201
Depreciation of right-of-use assets	1,756,406	-
Losses on disposal of fixed assets and intangible assets	1,493,248	1,158,984
Financial expenses	188,858,163	273,308,059
Gains arising from changes in fair value	-	(179,911,200)
Investment income	(16,847,647)	(2,654,504)
Decrease/(increase) in deferred tax assets	(60,206,509)	10,813,173
Increase/(decrease) in deferred tax liabilities	(18,039,800)	43,983,723
Decrease in inventories	(273,932,796)	(8,426,451)
Decrease/(increase) in operating receivables	104,211,540	(84,621,855)
Increase in operating payables	<u>323,742,688</u>	<u>197,493,046</u>
Net cash flows from operating activities	<u>3,902,084,385</u>	<u>2,730,619,636</u>
 (b) Net increase/(decrease) in cash		
	2021	2020
Cash and cash equivalents at end of year	2,756,477,572	2,124,028,196
Less: Cash and cash equivalents at beginning of year	<u>(2,124,028,196)</u>	<u>(1,831,835,030)</u>

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Net increase in cash and cash equivalents	<u>632,449,376</u>	<u>292,193,166</u>
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(c) Cash and cash equivalents

	31 December 2021	31 December 2020
Cash		
- Cash on hand	-	2,725
- Bank deposits that can be readily drawn on demand	2,453,477,573	1,463,954,484
- Other cash balances that can be readily drawn on demand	<u>302,999,999</u>	<u>660,070,987</u>
Cash at end of year	<u>2,756,477,572</u>	<u>2,124,028,196</u>

(58) Assets with restricted ownership or use rights

	2021	2020	Reason
Monetary assets	9,448,334	1,760,707	Restricted deposit flow etc
Property, plant and equipment	<u>165,095,479</u>	<u>238,490,675</u>	Limited finance lease and Restricted mortgage loan
	<u>174,543,813</u>	<u>240,251,382</u>	

(59) Monetary items denominated in foreign currencies

	31 December 2021		
	Balances denominated in foreign currencies	Exchange rates	Balances denominated in RMB
Cash at bank and on hand—			
- HKD	2,910,735	0.8176	2,379,817
- USD	4,157,847	6.3757	26,509,188
- JPY	2,016,029	0.0554	111,688
- AUD	797	4.6220	<u>3,686</u>
			<u>29,004,379</u>
Accounts receivable—			
- HKD	2,119,096	0.8176	1,732,573
- USD	17,430,781	6.3757	111,133,429
- EUR	834,785	7.2197	<u>6,026,900</u>
			<u>118,892,902</u>
Accounts payable —			
- HKD	246,968	0.8176	201,921
- USD	6,321,968	6.3757	40,306,973
- EUR	295,835	7.2197	2,135,837
- JPY	3,362,148	0.0554	186,263
- GBP	11,000	8.6064	<u>94,670</u>
			<u>42,925,664</u>

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5 The changes of consolidation scope

On 19 April 2021, the Group set up a subsidiary, Xi'an Csg Energy Saving Glass Technology Co., Ltd. ("Xi'an Energy Saving Company") and the Group has invested RMB 1,000,000. The Group owns 100% of its equity.

On 25 June 2021, the Group set up a subsidiary, Anhui CSG Silicone Mingdu Mining Development Co., Ltd. ("Anhui Silicon Valley Mingdu Mining Company") and the Group has invested RMB 3,000,000. The Group owns 60% of its equity.

On 09 October 2021, the Group set up a subsidiary, Guangxi CSG New Energy Materials Technology Co., Ltd. ("Guangxi New Energy Materials Company") and the Group has invested RMB 31,000,000. The Group owns 100% of its equity.

On 11 November 2021, the Group set up a subsidiary, Qinghai CSG Sunrise New Energy Technology Co., Ltd. ("Qinghai CSG New Energy") and the Group has not invested. The Group owns 100% of its equity.

On 8 December 2021, the Group set up a subsidiary, Hefei CSG Energy Saving Material Intelligent Manufacturing Co., Ltd. ("Hefei Energy Saving Company") and the Group has not invested. The Group owns 100% of its equity.

On 9 December 2021, the Group set up a subsidiary, Shenzhen CSG New Energy Industry Development Co., Ltd. ("Shenzhen CSG New Energy") and the Group has not invested. The Group owns 100% of its equity.

On 13 December 2021, the Group set up a subsidiary, Zhaoqing CSG New Energy Technology Co., Ltd. (referred to as "Zhaoqing CSG New Energy") and the Group has not invested. The Group owns 100% of its equity.

6 Equity in other entities

(1) Interest in subsidiaries

(a) Structure of the enterprise group

As at 31 December 2021, information of the Company's major subsidiaries is set out below:

	Major business location	Place of registration	Scope of business	Shareholding (%)	
				Direct	Indirect
Chengdu CSG	Chengdu, PRC	Chengdu, PRC	Development, production and sales of special glass	75%	25%
Sichuan CSG Energy Conservation	Chengdu, PRC	Chengdu, PRC	Development, production and sales of special glass and processing of glass	75%	25%
Tianjin Energy Conservation	Tianjin, PRC	Tianjin, PRC	Development, production and sales of special glass	75%	25%
Dongguan CSG Engineering	Dongguan, PRC	Dongguan, PRC	Intensive processing of glass	75%	25%
Dongguan CSG Solar	Dongguan, PRC	Dongguan, PRC	Production and sales of solar glass	75%	25%
Dongguan CSG PV-tech	Dongguan, PRC	Dongguan, PRC	Production and sales of hi-tech green battery and components	100%	-
Yichang CSG Polysilicon	Yichang, PRC	Yichang, PRC	Production and sales of high-purity silicon materials	75%	25%
Wujiang CSG Engineering	Wujiang, PRC	Wujiang, PRC	Intensive processing of glass	75%	25%
Hebei CSG	Yongqing, PRC	Yongqing, PRC	Production and sales of special glass	75%	25%
Wujiang CSG	Wujiang, PRC	Wujiang, PRC	Production and sales of special glass	100%	-

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China Southern Glass (Hong Kong) Limited	Hong Kong, PRC	Hong Kong, PRC	Investment holding	100%	-
Xianning CSG	Xianning, PRC	Xianning, PRC	Production and sales of special glass	75%	25%
Xianning CSG Energy-Saving	Xianning, PRC	Xianning, PRC	Intensive processing of glass	75%	25%
Qingyuan CSG Energy-Saving	Qingyuan, PRC	Qingyuan, PRC	Production and sales of ultra-thin electronic glass	100%	-
Shenzhen CSG Financial Leasing Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Finance leasing, etc.	75%	25%
Jiangyou CSG Mining Development Co. Ltd.	Jiangyou, PRC	Jiangyou, PRC	Production and sales of silica and its by-products	100%	-
Shenzhen CSG Display:	Shenzhen, PRC	Shenzhen, PRC	Production and sales of display component products	60.80%	-
Zhaoqing Energy Saving Company	Zhaoqing PRC	Zhaoping PRC	Production and sales of various special glasses	100%	-
Zhaoqing Automobile Company	Zhaoqing PRC	Zhaoqing PRC	Production and sales of various special glasses	100%	-
Anhui Energy Company	Fengyang, PRC	Fengyang, PRC	Production and sales of solar glass products	100%	-
Anhui Quartz Company	Fengyang, PRC	Fengyang, PRC	Production and sales of solar glass products	100%	-
Anhui Silicon Valley Mingdu Mining Company	Fengyang, PRC	Fengyang, PRC	Mineral resources exploitation	60%	
Xi'an energy conservation company	Xi'an, PRC	Xi'an, PRC	Production and sales of various special glasses	55%	45%
Guangxi New Energy Materials Company	Longgang, PRC	Longgang, PRC	Production and sales of various special glasses	75%	25%

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(b) Subsidiaries with significant minority interests

Subsidiaries	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders for the year ended 31 December 2021	Dividends distributed to minority shareholders for the year ended 31 December 2021	Minority interests as at 31 December 2021
Shenzhen CSG Display	39.2%	31,774,809	-	404,409,486

(c) Main financial information of important non-wholly-owned subsidiaries

	31 December 2021					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen CSG Display	210,979,056	1,378,748,179	1,589,727,235	448,244,735	54,572,497	502,817,232

	2021			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen CSG Display	746,690,439	88,873,060	88,873,060	196,460,847

7 Segment information

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

- Glass segment, engaged in production and sales of float glass and engineering glass and the silica for the production thereof, etc.
- Solar energy segment, engaged in manufacturing and sales of polycrystalline silicon and solar battery and applications, etc.
- Solar and other segment divisions, responsible for the production and sales of polysilicon and solar cell module products, photovoltaic energy development and other 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.

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(a) Segment information as at and for the year ended 31 December 2021 is as follows:

	Flat glass	Electronic glass and displays	Solar and other industries	Unallocated	Elimination	Total
Revenue from external customers	10,999,313,889	1,720,865,369	908,553,830	300,562	-	13,629,033,650
Inter-segment revenue	70,650,930	177,299,135	170,023,434	294,564,450	(712,537,949)	-
Interest income	2,657,543	624,472	216,356	39,203,658	-	42,702,029
Interest expenses	1,563,185	(12,363,737)	21,288	(178,078,899)	-	(188,858,163)
Asset impairment losses	(4,057,296)	(174,808,890)	(699,571,526)	(103,227,834)	-	(981,665,546)
Credit impairment loss	(105,309,554)	(443,724)	371,850	(48,513,009)	-	(153,894,437)
Depreciation and amortisation expenses	(607,940,780)	(228,084,049)	(113,738,670)	(6,233,562)	-	(955,997,061)
Total profit/(loss)	2,657,577,760	264,148,325	(673,621,904)	(330,701,998)	-	1,917,402,183
Income tax (expenses)/income	(339,464,522)	(28,170,648)	1,933,346	9,548,095	-	(356,153,729)
Net profit/(loss)	<u>2,318,113,238</u>	<u>235,977,677</u>	<u>(671,688,558)</u>	<u>(321,153,903)</u>	<u>-</u>	<u>1,561,248,454</u>
Total assets	<u>9,771,021,576</u>	<u>3,646,349,435</u>	<u>2,550,051,949</u>	<u>3,971,941,550</u>	<u>-</u>	<u>19,939,364,510</u>
Total liabilities	<u>3,549,162,935</u>	<u>593,290,450</u>	<u>323,987,924</u>	<u>3,606,448,966</u>	<u>-</u>	<u>8,072,890,275</u>
Increase in non-current assets	<u>1,697,686,349</u>	<u>48,535,659</u>	<u>105,317,713</u>	<u>5,243,175</u>	<u>-</u>	<u>1,856,782,896</u>

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(b) Segment information as at and for the year ended 31 December 2020 is as follows:

	Flat glass	Electronic glass and displays	Solar and other industries	Unallocated	Elimination	Total
Revenue from external customers	8,666,093,920	1,083,132,521	916,115,834	5,911,170	-	10,671,253,445
Inter-segment revenue	43,677,341	4,229,293	72,667,092	212,060,390	(332,634,116)	-
Interest income	2,140,733	1,471,264	402,262	49,390,402	-	53,404,661
Interest expenses	(30,646,424)	(12,125,558)	(15,354,096)	(215,274,796)	92,815	(273,308,059)
Asset impairment losses	(7,746,072)	(1,038,135)	(648,001,824)	(81,722,063)	-	(738,508,094)
Credit impairment loss	31,741	(229,992)	(3,965,108)	(1,559,260)	-	(5,722,619)
Depreciation and amortisation expenses	(601,759,885)	(164,905,846)	(150,718,578)	(5,908,658)	-	(923,292,967)
Total profit/(loss)	1,711,049,125	185,625,578	(475,933,924)	(315,049,653)	-	1,105,691,126
Income tax (expenses)/income	(222,653,492)	(23,877,511)	(49,229,706)	2,022,564	-	(293,738,145)
Net profit/(loss)	<u>1,488,395,633</u>	<u>161,748,067</u>	<u>(525,163,630)</u>	<u>(313,027,089)</u>	<u>-</u>	<u>811,952,981</u>
Total assets	<u>8,618,862,132</u>	<u>3,784,793,003</u>	<u>3,227,533,456</u>	<u>2,251,726,307</u>	<u>-</u>	<u>17,882,914,898</u>
Total liabilities	<u>2,075,265,799</u>	<u>688,502,626</u>	<u>326,834,407</u>	<u>4,176,428,180</u>	<u>-</u>	<u>7,267,031,012</u>
Increase in non-current assets	<u>337,211,912</u>	<u>615,441,677</u>	<u>128,344,547</u>	<u>6,281,914</u>	<u>-</u>	<u>1,087,280,050</u>

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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	2021	2020
Mainland	12,355,492,022	9,538,506,225
Overseas	1,273,541,628	1,132,747,220
	<u>13,629,033,650</u>	<u>10,671,253,445</u>
Total non-current assets	31 December 2021	31 December 2020
Mainland	12,982,067,078	12,652,550,312
Hong Kong, PRC	12,403,499	12,463,605
	<u>12,994,470,577</u>	<u>12,665,013,917</u>

No revenue from a single customer exceeded 10% or more of the Group's revenue.

8 Related parties and related party transactions

(1) Information of the parent company

The Company regards no entity as the parent company.

(2) The subsidiaries

The general information and other related information of the subsidiaries are set out in Note 6(1).

(3) General information of the Group's associate

None

(4) Other related parties information

	Relationship with the Group
Shenzhen Jushenghua Co.,Ltd. ("Jushenghua")	Persons acting in concert with the first majority shareholder of the Group
Shenzhen Qianhai Ruinan Investment LLP	Controlled by the former key management personnel of the Group
Xinjiang Qianhai United Property & Casualty Insurance	Related parties of the company's largest shareholder of taking concerted action
Suzhou Baoqi Logistics Co., Ltd.	Related parties of the company's largest shareholder of taking concerted action
Wuxi Baowan Department Store Co., Ltd. Nanjing Yanziji Store	Related parties of the company's largest shareholder of taking concerted action
Baoneng Department Store Retail Co., Ltd.	Related parties of the company's largest shareholder of taking concerted action
Shenzhen Baoneng Auto Sales & Service Co., Ltd.	Related parties of the company's largest shareholder of taking concerted action

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Guangdong Chubang Food Co., Ltd.

Related parties of the company's largest
shareholder of taking concerted action

(5) Related party transactions

(a) Purchase and sales of goods, provision and receiving of labour

Related parties	Related transaction	Transaction pricing policy	2021	2020
Suzhou Baoqi Logistics Co., Ltd.	Receive service	Market price	6,851,844	2,117,344
Wuxi Baowan Department Store Co., Ltd. Nanjing Yanziji Store	Purchase of goods	Market price	-	2,866,100
Shenzhen Baoneng Auto Sales & Service Co., Ltd.	Purchase of goods	Market price	1,171,470	-
Others	Purchase of goods and receive service	Market price	511,390	330,568
			<u>8,534,704</u>	<u>5,314,012</u>

Selling goods and providing services

Related parties	Related transaction content	Transaction pricing policy	2021	2020
Shenzhen Jushenghua Co., Ltd.	Sales of goods	Market price	500	12,118,000
Guangdong Chubang Food Co., Ltd.	Sales of goods	Market price	-	1,500,000
Baoneng Department Store Retail Co., Ltd.	Sales of goods	Market price	-	899,940
Others	Sales of goods	Market price	659,185	4,485,120
			<u>659,685</u>	<u>19,003,060</u>

Note: Other related parties will be listed together as they showed many companies and the amounts are scattered

(b) Purchase of insurance

Related parties	Related party transactions	2021	2020
Shenzhen Qianhai Ruinan Investment LLP	Buy life insurance for employees	5,541,857	5,086,401

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Xinjiang Qianhai United Property & Casualty Insurance		Buy car insurance	761,693	1,099,639
			<u>6,303,550</u>	<u>6,186,040</u>
(c)	Leases			
	Related parties	Related party transactions	2021	2020
	Others	Rental factory and water charges	1,062,524	-
			<u>1,062,524</u>	<u>-</u>
(d)	Gains on equity transfer			
	None			
(e)	Acquisition of equity			
	None			
(f)	Advances paid on behalf of related parties			
	None			
(g)	Remuneration of key management		2021	2020
	Remuneration		<u>25,749,501</u>	<u>23,628,100</u>
(6)	Accounts receivable from related parties			
(a)	Receivables			
	Related parties	31 December 2021	31 December 2020	
		Carrying amount	Provision for bad debts	Carrying amount
				Provision for bad debts
	Baoneng Department Store Retail Co., Ltd.	-	-	192,000
	Others	242,620	(4,819)	31,200
		<u>242,620</u>	<u>(4,819)</u>	<u>223,200</u>
				<u>(4,464)</u>
(b)	payables			
	Related parties		2021	2020
	Suzhou Baoqi Logistics Co., Ltd.		2,731,013	2,617,344
	Others		133,408	-
			<u>2,864,421</u>	<u>2,617,344</u>

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9 Contingencies

Nil.

10 Commitments

(1) Capital expenditure 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:

	31 December 2021	31 December 2020
Buildings, machinery and equipment	<u>2,994,615,272</u>	<u>552,259,223</u>

11 Events after the balance sheet date

(a) Statement of profit distribution after balance sheet date

	Amount
Proposed distribution of cash dividends	<u>614,138,421</u>

According to the resolution of the board of directors on April 21, 2022, the board of directors proposed that the company distribute a cash dividend of RMB 614,138,421 to all shareholders. This proposal is approving by the general meeting of shareholders. The cash dividend proposed after the balance sheet date has not been confirmed in this financial statement as a liability.

12 Other significant events

(1) 171 million special funds for the introduction of talents was follow-up progress.

(a) Matter description

As at December 10, 2012, the People's Government of Yichang City and the Company signed the Cooperation Agreement on Fine Glass and Ultrathin Electronic Glass Project ;The management committee of Yichang High-tech Industrial Development Zone agreed to establish a RMB 171 million talent fund as a special fund subsidy for the introduction of talents and the placement of talented people in 2014. The company of Yichang CSG PolysSilicon Co.Ltd. is responsible for formulating the housing resettlement subsidy program and supervising the use of this special fund.The funds were subsidized by the government to the company, but Yichang CSG PolysSilicon Co., Ltd. received this amount and transferred it to Yichang Hongtai Real Estate Co., Ltd. in full amount without proper approval from the company's board of directors and other relevant authorities. (Yichang Hongtai Real Estate Co.,Ltd. is a company jointly indirect controlled by part of the former natural executives of the company. The company has no equity relationship with the company) .Yichang CSG PolysSilicon Co., Ltd. received the above fund and transferred it to Yichang Hongtai Real Estate Co., Ltd. in full and also handled the accounting treatment according to the collecting and paying. In 2017, Prior period accounting error from above matters was corrected by company.

(b) Subsequent progress

Shenzhen Municipal People's Procuratorate (hereinafter referred to as "Deep Retrieval") with Zeng Nan and others suspected of trusting the interests of listed companies, filed a public prosecution to the Shenzhen Intermediate People's Court, tried by the court, and made a criminal involvement for Zeng Nan etc. Decision of prosecution. On December 15, 2021, the company filed a litigation of Zeng Nan and others and Yichang Hongtai Real Estate Co., Ltd., and the Shenzhen Intermediate People's Court was officially accepted on January 28, 2022.

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- (c) Receivable talent fund from Yichang Hongtai Real Estate Co., Ltd.

		December 31, 2021		December 31, 2020	
		Book balance	Bad debt preparation	Book balance	Bad debt preparation
Other receivables	Yichang Hongtai Real Estate Company	171,000,000	(51,300,000)	171,000,000	(3,420,000)

- (i) The management of the company is expected to get back this receivables risk further this year, so the single-item declaration is prepared.

13 Financial instrument and risk

The Group's activities expose it to a variety of financial risks: market risk (primarily foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial market and seeks to reduce 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. Some export business, however, is denominated in foreign currencies. In addition, 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 Hong Kong dollar. The Group monitors the scale of foreign currency transactions, foreign currency assets and liabilities, and adjust settlement currency of export business, to furthest reduce the currency risk.

- (1) Market risk (Cont'd)

On 31 December 2021, book values in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarized below:

	31 December 2021			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency -				
Cash at bank and on hand	26,509,188	2,379,817	115,374	29,004,379
Receivables	111,133,429	1,732,573	6,026,900	118,892,902
	<u>137,642,617</u>	<u>4,112,390</u>	<u>6,142,274</u>	<u>147,897,281</u>
Financial liabilities denominated in foreign currency -				
Payables	40,306,973	201,921	2,416,770	42,925,664
	<u>40,306,973</u>	<u>201,921</u>	<u>2,416,770</u>	<u>42,925,664</u>
	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

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Receivables	84,333,333	1,392,919	6,699,153	92,425,405
	<u>100,932,763</u>	<u>7,390,718</u>	<u>7,808,810</u>	<u>116,132,291</u>
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
	<u>47,632,226</u>	<u>66,988,806</u>	<u>4,443,735</u>	<u>119,064,767</u>

On 31 December 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 8,273,530 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 impact on the Group's operating activities except USD dollar.

(b) Foreign exchange risk

The Group's interest rate risk arises from long-term interest bearing debts 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 31 December 2021, the Group's long-term interest-bearing debts at and fixed rates and floating rates are illustrated below:

	31 December 2021	31 December 2020
Debt at fixed rates	2,404,372,257	2,105,274,331
Debt at floating rates	<u>1,061,274,897</u>	<u>742,000,000</u>
	<u>3,465,647,154</u>	<u>2,847,274,331</u>

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

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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.

Management will implement the following measures to ensure the liquidation risk limited to a controllable extent:

- (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 bank facilities;
- (c) The Group will closely monitoring the payment of construction expenditure in terms of payment time and amount.

The financial liabilities of the Group at the balance sheet date are analyzed by their maturity date below at their undiscounted contractual cash flows:

	31 December 2021				
	Within 1 year	1 to 2 years	2 to 5years	Over 5 years	Total
Short-term borrowings	182,299,506	-	-	-	182,299,506
Notes payable	400,662,713	-	-	-	400,662,713
Accounts payable	1,428,851,312	-	-	-	1,428,851,312
Other payables	289,440,477	-	-	-	289,440,477
Other current liabilities	40,099,309	-	-	-	40,099,309
Non-current liabilities due					
within one year	514,569,537	-	-	-	514,569,537
Long-term payables	-	168,258,062	-	-	168,258,062
Long-term borrowings	60,580,998	374,241,583	889,057,539	363,125,181	1,687,005,301
Bonds payable	120,000,000	2,120,000,000	-	-	2,240,000,000
	<u>3,036,503,852</u>	<u>2,662,499,645</u>	<u>889,057,539</u>	<u>363,125,181</u>	<u>6,951,186,217</u>

	31 December 2020				
	Within 1 year	1 to 2 years	2 to 5years	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

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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
	<u>3,166,319,195</u>	<u>851,295,181</u>	<u>2,182,513,808</u>	<u>-</u>	<u>6,200,128,184</u>

14 Fair value estimates

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 December 31, 2021, the Group's using assets and liabilities measured at fair value are listed three levels as followings:

	31 December 2021			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
-Structural deposits Measured at fair value through other comprehensive income	-	999,600,000	-	999,600,000
-Receivables Financing	-	297,046,123	-	297,046,123
-Investment property	-	383,084,500	-	383,084,500
	<u>-</u>	<u>1,679,730,623</u>	<u>-</u>	<u>1,679,730,623</u>

(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.

	31 December 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	1,996,587,330	2,014,330,000	1,994,020,348	1,987,041,277
	<u>1,996,587,330</u>	<u>2,014,330,000</u>	<u>2,794,020,348</u>	<u>2,790,405,277</u>

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

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instruments of comparable credit status and providing substantially the same cash flows on the same terms, thereinto medium term notes belong to Level 2.

15 Capital management

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group is not subject to external mandatory capital requirements, and monitors capital on the basis of gearing ratio.

As at 31 December 2021 and 31 December 2020, the Group's gearing ratio is as follows:

	31 December 2021	31 December 2020
Total liabilities	8,072,890,275	7,267,031,012
Total assets	19,939,364,510	17,882,914,898
Gearing ratio	<u>40%</u>	<u>41%</u>

16 Notes to the Company's financial statements

(1) Other receivables

	31 December 2021	31 December 2020
Dividend receivable	250,000,000	249,087,257
Other receivables	<u>2,649,091,405</u>	<u>3,554,821,112</u>
	<u>2,899,091,405</u>	<u>3,803,908,369</u>

1、 Dividend receivable

	31 December 2021	31 December 2020
Dividends receivable from subsidiaries	<u>250,000,000</u>	<u>249,087,257</u>
	<u>250,000,000</u>	<u>249,087,257</u>

2、 Other receivables

	31 December 2021	31 December 2020
Receivables from related parties	2,526,427,812	3,383,284,639
Others	<u>174,005,021</u>	<u>176,588,183</u>
	2,700,432,833	3,559,872,822
Less: Provision for bad debts	<u>(51,341,428)</u>	<u>(5,051,710)</u>
	<u>2,649,091,405</u>	<u>3,554,821,112</u>

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2、 Other receivables (Cont'd)

(a) The ageing of other receivables is analysed as follows:

	31 December 2021	31 December 2020
Within 1 year	2,528,274,319	3,384,862,561
Over 1 year	172,158,514	175,010,261
	<u>2,700,432,833</u>	<u>3,559,872,822</u>

(b) Other receivables are analysed by category as follows:

	31 December 2021				31 December 2020			
	Carrying amount		Provision for bad debts		Carrying amount		Provision for bad debts	
	% of total		Provision		% of total		Provision for	
	Amount	balance	for bad deb	%	Amount	balance	bad debts	%
Provision for bad debts by groupings								
- Group 1	3,005,021	-	(40,708)	1%	175,037,217	5%	(3,500,744)	2%
- Group 2	2,526,427,812	94%	(720)	-	3,383,284,639	95%	-	-
Provided for bad debts individually	171,000,000	6%	(51,300,000)	30%	1,550,966	-	(1,550,966)	100%
	<u>2,700,432,833</u>	<u>100%</u>	<u>(51,341,428)</u>	<u>2%</u>	<u>3,559,872,822</u>	<u>100%</u>	<u>(5,051,710)</u>	<u>-</u>

(c) For other receivables provided for bad debts by portfolio, the expected credit impairment loss for the portfolio is as follows:

	31 December 2021			31 December 2020		
	Carrying amount Amount	Provision for bad debts Amount	%	Carrying amount Amount	Provision for bad debts Amount	%
Group 1	3,005,021	(40,708)	1%	175,037,217	(3,500,744)	2%
Group 2	2,526,427,812	(720)	-	3,383,284,639	-	-
	<u>2,529,432,833</u>	<u>(41,428)</u>	<u>-</u>	<u>3,558,321,856</u>	<u>(3,500,744)</u>	<u>-</u>

(d) Provision for bad debts

bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the following 12 months (grouping)	Lifetime expected credit losses (credit unimpaired)	Lifetime expected credit losses (credit impaired)	
1 January 2021	3,500,744	-	1,550,966	5,051,710
Amounts in current year	-	-	-	-
— Transferred stage 2	-	-	-	-
— Transferred stage 3	(3,420,000)	-	3,420,000	-
— Reversed stage 2	-	-	-	-
— Reversed stage 1	-	-	-	-
Increased in current year	11,619	-	48,552,325	48,563,944
Reversed in current year	(50,935)	-	-	(50,935)
Write-off in current year	-	-	(2,223,291)	(2,223,291)
31 December 2021	<u>41,428</u>	<u>-</u>	<u>51,300,000</u>	<u>51,341,428</u>

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- (e) As at 31 December 2021, the Group's top five entities with the largest other receivables balances are analysed as below:

	Relationship with the Group	Amount	Ageing	% of total balance
Dongguan Solar Energy	Subsidiary	544,204,144	Within 1 year	20%
Qingyuan Energy Saving Company	Subsidiary	419,921,121	Within 1 year	16%
Shenzhen Display Company	Subsidiary	314,681,520	Within 1 year	12%
Xianning Photoelectric Corporation	Subsidiary	262,911,269	Within 1 year	10%
CSG (Hong Kong) Co. Ltd.	Subsidiary	240,438,085	Within 1 year	9%
		<u>1,782,156,139</u>		<u>67%</u>

- (2) Long-term equity investments

	31 December 2021	31 December 2020
Subsidiaries (a)	6,277,391,694	5,859,507,870
Less: Impairment provision for investments in subsidiaries (a)	<u>(15,000,000)</u>	<u>(15,000,000)</u>
	<u>6,262,391,694</u>	<u>5,844,507,870</u>

CSG HOLDING CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in RMB Yuan unless otherwise stated)
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(a) Subsidiaries

	31 December 2020	Movement in current year		31 December 2021	Provision for impairment loss	Cash dividends declared in current year
			Decrease in investment			
Chengdu CSG	151,397,763	-	-	151,397,763	-	309,767,142
Sichuan Energy Conservation Company	119,256,949	-	-	119,256,949	-	-
Tianjin Energy Conservation Company	247,833,327	-	-	247,833,327	-	109,166,321
Dongguan Engineering Company	198,276,242	-	-	198,276,242	-	-
Dongguan Solar Energy Company	355,120,247	-	-	355,120,247	-	-
Yichang Silicon Material Company	640,856,170	-	-	640,856,170	-	-
Wujiang Engineering Company	254,401,190	-	-	254,401,190	-	-
Hebei CSG	266,189,705	-	-	266,189,705	-	222,189,079
CSG (Hong Kong) Co., Ltd.	87,767,304	-	-	87,767,304	-	250,000,000
Wujiang CSG	567,645,430	-	-	567,645,430	-	-
Jiangyou Sands Company	102,415,096	-	-	102,415,096	-	-
Xianning Float Company	181,116,277	-	-	181,116,277	-	-
Xianning Energy Saving Company	165,452,035	-	-	165,452,035	-	73,898,157
Qingyuan Energy Saving Company	885,273,105	-	-	885,273,105	-	100,628,677
Shenzhen CSG Financial Leasing Co., Ltd.	133,500,000	-	-	133,500,000	-	-
Shenzhen CSG Photovoltaic Energy Co., Ltd. (i)	100,335,176	-	(100,335,176)	-	-	-
Shenzhen Display Company	550,765,474	-	-	550,765,474	-	-
Zhaoqing Energy Saving Company	129,701,000	20,299,000	-	150,000,000	-	-
Zhaoqing CSG Automotive Glass Co., Ltd.	43,201,000	14,920,000	-	58,121,000	-	-
Dongguan CSG PV-tech	382,112,183	-	-	382,112,183	-	-
Anhui Energy Company	20,000,000	435,000,000	-	455,000,000	-	-
Anhui Quartz Company	3,000,000	34,000,000	-	37,000,000	-	-
Shenzhen CSG Medical Company	20,000,000	-	-	20,000,000	-	-
Anhui Silicon Valley Mingdu Mining Company	-	3,000,000	-	3,000,000	-	-
Xi'an energy conservation company	-	1,000,000	-	1,000,000	-	-
Guangxi New Energy Materials Company	-	1,000,000	-	1,000,000	-	-
Nanba (Suzhou) Corporate Headquarters Management Co., Ltd.	-	9,000,000	-	9,000,000	-	-
Others (ii)	253,892,197	-	-	253,892,197	(15,000,000)	-
	<u>5,859,507,870</u>	<u>518,219,000</u>	<u>(100,335,176)</u>	<u>6,277,391,694</u>	<u>(15,000,000)</u>	<u>1,065,649,376</u>

CSG HOLDING CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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- (i) During the year, the company traded its subsidiary Shenzhen CSG Photovoltaic Energy Co., Ltd. to its wholly-owned subsidiary Dongguan CSG PV-tech and Shenzhen CSG PV Energy Co., Ltd. were changed to sub-subsidiary Company.
- (ii) Subsidiaries for which impairment provision has been made are those that have basically ceased operations in previous years. The company has made provision for impairment of long-term equity investments in these companies in previous years based on recoverable amounts.

(3) Other payables

	31 December 2021	31 December 2020
Interest payable	93,596,328	131,513,019
Other payables	1,973,876,551	870,622,683
	<u>2,067,472,879</u>	<u>1,002,135,702</u>

1、 Interest payable

	31 December 2021	31 December 2020
Interest of medium-term notes	-	37,955,556
Interest of short-term borrowings	94,444	53,256
Interest of long-term borrowings with periodic payments of interest and return of principal at maturity	1,243,819	1,246,142
Interest of corporate bonds	92,258,065	92,258,065
	<u>93,596,328</u>	<u>131,513,019</u>

2、 Other payables

	31 December 2021	31 December 2020
Subsidiaries	1,959,266,523	861,745,492
Others	14,610,028	8,877,191
	<u>1,973,876,551</u>	<u>870,622,683</u>

(4) Investment income

	2021	2020
Investment income from long-term equity investment under cost method	1,065,649,376	1,108,523,992
Proceeds from long-term equity transfer	196,665,194	25,261,102
Income from structural deposits etc	16,692,229	2,654,504
	<u>1,279,006,799</u>	<u>1,136,439,598</u>

There is no significant restriction on the remittance of investment income to the Company.

CSG HOLDING CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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I Statement of non-recurring gains and losses

	2021	2020
Gains or losses on disposal of non-current assets	1,493,248	1,158,984
Government grants recognised in profit or loss for current period	(104,507,242)	(99,660,400)
Income from external entrusted loans	-	(5,546,384)
Fair value movement of investment property	-	(179,911,200)
Reversal of provision for impairment of receivables subject to separate impairment test	(1,429,653)	-
Income from structural deposits etc.	(16,847,647)	(2,654,504)
Non-operating income and expenses other than aforesaid items	<u>13,526,210</u>	<u>6,284,556</u>
	(107,765,084)	(280,328,948)
Effect of income tax	14,201,899	38,334,180
Effect of minority interests (after tax)	<u>3,774,138</u>	<u>2,645,633</u>
Total non-recurring gains and losses	<u>(89,789,047)</u>	<u>(239,349,135)</u>

(1) Basis for preparation of statement of non-recurring gains and losses

Under the requirements in *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profit or Loss [2008]* from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

II Return on net assets and earnings per share

	Weighted average return on net assets		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	2021	2020	2021	2020	2021	2020
Net profit attributable to ordinary shareholders of the Company	14.13	7.91	0.50	0.25	0.50	0.25
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	<u>13.30</u>	<u>5.48</u>	<u>0.47</u>	<u>0.18</u>	<u>0.47</u>	<u>0.18</u>