

Financial Report of Semi-annual Report 2022

I. Auditors' Report

Whether the Semi-annual Report has been audited or not

Yes No

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

II. Financial Statements

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

1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

June 30, 2022

Unit: RMB

Item	June 30, 2022	January 1, 2022
Current assets:		
Cash at bank and on hand	2,870,042,541	2,765,925,906
Trading financial assets	1,209,000,000	999,600,000
Notes receivable	445,375	19,220,984
Accounts receivable	842,283,667	730,525,687
Receivables financing	582,328,808	297,046,123
Advances to suppliers	235,326,059	76,097,276
Other receivables	201,090,652	183,696,711
Inventories	1,766,912,399	1,093,805,525
Other current assets	68,616,670	140,705,298
Total current assets	7,776,046,171	6,306,623,510
Non-current assets		
Investment property	383,084,500	383,084,500
Fixed assets	9,336,413,529	8,566,515,026
Construction in progress	2,809,337,684	2,461,088,650
Right of use assets	9,034,632	9,911,935
Intangible assets	1,209,525,068	1,167,611,402
Development expenditure	91,718,822	72,019,362
Goodwill	130,147,859	130,147,859
Long-term prepaid expenses	3,234,021	3,013,721
Deferred tax assets	196,661,447	255,185,923
Other non-current assets	525,974,043	584,162,622
Total non-current assets	14,695,131,605	13,632,741,000
Total assets	22,471,177,776	19,939,364,510

1. Consolidated Balance Sheet (continued)

Prepared by CSG Holding Co., Ltd.

June 30, 2022

Unit: RMB

Item	30-Jun-22	1-Jan-22
Current liabilities :		
Short-term borrowings	468,108,522	180,770,000
Notes payable	549,939,628	400,662,713
Accounts payable	1,796,932,531	1,428,851,312
Contract liabilities	413,885,125	335,188,642
Employee benefits payable	287,729,142	426,212,979
Taxes payable	154,652,150	185,009,681
Other payables	221,866,936	289,440,477
Of which: interest payable	36,640,548	95,001,362
Non-current liabilities due within one year	2,371,913,539	503,820,548
Other current liabilities	47,730,142	40,099,309
Total current liabilities	6,312,757,715	3,790,055,661
Non-current liabilities		
Long-term borrowings	3,161,136,468	1,469,059,824
Bonds payable		1,996,587,330
lease liability		220,138
Long-term payables	149,062,955	168,258,062
Deferred income	495,313,618	564,129,128
Deferred tax liabilities	91,256,653	84,580,132
Total non-current liabilities	3,896,769,694	4,282,834,614
Total liabilities	10,209,527,409	8,072,890,275
Shareholders' equity		
Share capital	3,070,692,107	3,070,692,107
Capital surplus	596,997,085	596,997,085
Other comprehensive income	165,368,070	159,200,530
Special reserves	1,852,703	7,296,397
Surplus reserve	1,144,887,510	1,144,887,510
Undistributed profits	6,837,623,394	6,450,587,417
Total equity attributable to shareholders of parent company	11,817,420,869	11,429,661,046
Minority shareholders' equity	444,229,498	436,813,189
Total shareholders' equity	12,261,650,367	11,866,474,235
Total liabilities and shareholders' equity	22,471,177,776	19,939,364,510

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

2. Balance Sheet of the Parent Company

Prepared by CSG Holding Co., Ltd.

June 30, 2022

Unit: RMB

Item	June 30, 2022	January 1, 2022
Current assets		
Cash at bank and on hand	2,017,872,177	1,961,406,035
Trading financial assets	1,209,000,000	999,600,000
Accounts receivable	1,996,267	
Receivables Financing	15,299,671	
Advances to suppliers	699,982	639,164
Other receivables	2,624,297,723	2,899,091,405
Of which: dividends receivable	250,000,000	250,000,000
Other current assets	1,226	
Total current assets	5,869,167,046	5,860,736,604
Non-current assets		
Long-term equity investments	6,899,675,709	6,262,391,694
Fixed assets	9,002,995	11,509,029
Intangible assets	3,382,512	2,102,548
Other non-current assets	104,236,952	104,109,111
Total non-current assets	7,016,298,168	6,380,112,382
Total assets	12,885,465,214	12,240,848,986

2. Balance Sheet of the Parent Company(continued)

Prepared by CSG Holding Co., Ltd.

June 30, 2022

Unit: RMB

Item	June 30, 2022	January 1, 2022
Current liabilities		
Short-term borrowings	300,000,000	100,000,000
Bills payable	13,523,441	
Accounts payable	464,790	315,684
Contract liabilities	3,339,466	
Employee benefits payable	31,843,275	68,534,315
Taxes payable	15,815,743	8,316,132
Other payables	2,075,266,331	2,067,472,879
Of which: interest payable	34,012,995	93,596,328
Non-current liabilities due within one year	2,232,931,024	400,000,000
Other current liabilities	434,130	
Total current liabilities	4,673,618,200	2,644,639,010
Non-current liabilities		
Long-term borrowings	1,245,000,000	690,000,000
Bonds payable		1,996,587,330
Deferred income	172,312,500	172,500,000
Total non-current liabilities	1,417,312,500	2,859,087,330
Total liabilities	6,090,930,700	5,503,726,340
Shareholders' equity		
Share capital	3,070,692,107	3,070,692,107
Capital surplus	741,824,399	741,824,399
Surplus reserve	1,159,432,870	1,159,432,870
Undistributed profits	1,822,585,138	1,765,173,270
Total shareholders' equity	6,794,534,514	6,737,122,646
Total liabilities and shareholders' equity	12,885,465,214	12,240,848,986

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

3. Consolidated Income Statement

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	Half year of 2022	Half year of 2021
I. Total revenue	6,519,216,676	6,614,802,538
Of which:Business income	6,519,216,676	6,614,802,538
II. Total business cost	5,480,144,295	4,992,720,799
Of which:Business cost	4,637,645,927	4,126,627,145
Tax and surcharge	61,280,622	73,966,054
Sales expenses	133,906,652	125,326,015
Administrative expenses	318,635,812	354,914,704
R&D expenses	265,877,930	224,886,882
Financial expenses	62,797,352	86,999,999
Of which: interest expense	91,984,604	101,970,419
Interest income	30,756,704	20,024,847
Plus: Other income	99,302,552	36,553,804
Investment income (“-“for loss)	16,413,695	3,672,330
Credit impairment loss (“-“for loss)	-1,492,222	-2,524,048
Asset impairment loss (“-“for loss)	1,456	-26,753,082
Income on disposal assets (“-“for loss)	12,745,461	137,638
III. Operational profit (“-“for loss)	1,166,043,323	1,633,168,381
Plus: non-operational income	15,132,978	7,551,798
Less: non-operational expenditure	3,660,070	16,461,985
IV. Total profit (“-“for loss)	1,177,516,231	1,624,258,194
Less: Income tax expenses	168,925,524	255,280,290
V. Net profit (“-“for net loss)	1,008,590,707	1,368,977,904
(I) Classification by business continuity		
1. Net profit from continuing operations (“-“for net loss)	1,008,590,707	1,368,977,904
2. Net profit from discontinued operations (“-“for net loss)		
(II) Classification by ownership		
1. Equity attributable to shareholders of parent company	1,001,174,398	1,352,517,465
2.Minority shareholder gains and losses	7,416,309	16,460,439
VI. Other comprehensive income net after tax	6,167,540	1,322,491
Other comprehensive income net after tax attributable to shareholders of parent company	6,167,540	1,322,491
(I) Other comprehensive income that will be reclassified into profit and loss		
(II) Other comprehensive income reclassified to profit or loss	6,167,540	1,322,491
1.Differences on translation of foreign currency financial statements	6,167,540	1,322,491
Other comprehensive income, net of tax attributable to minority shareholders		
VII. Total comprehensive income	1,014,758,247	1,370,300,395

Total comprehensive income attributable to shareholders of parent company	1,007,341,938	1,353,839,956
Total comprehensive income attributable to minority shareholders	7,416,309	16,460,439
VIII. Earnings per share:		
(I) Basic earnings per share	0.33	0.44
(II) Diluted earnings per share	0.33	0.44

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

4. Income Statement of the Parent Company

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	Half year of 2022	Half year of 2021
I. Revenue	230,198,412	42,342,857
Less: Business cost	15,015,892	
Tax and surcharge	1,508,969	674,374
Sales expenses	1,500,585	
Administrative expenses	158,605,939	91,345,095
R & D expenses		616,965
Financial expenses	54,002,083	76,018,822
Of which: interest expense	84,259,999	94,186,512
Interest income	28,380,771	17,977,849
Plus: Other income	5,677,313	2,018,355
Investment income("“for loss)	665,374,823	718,475,642
Credit impairment loss ("“for loss)	-85,084	-9,473
Income on disposal assets ("“for loss)	2,477,876	6,893,580
II. Operating profit	673,009,872	601,065,705
Add: Non-operating income		29,967
Less: Non-operating expenses	1,459,583	15,026,836
III. Total profit ("“for loss)	671,550,289	586,068,836
Less: Income tax expenses		
IV. Net profit ("“for loss)	671,550,289	586,068,836
(I) Net profit for continuing operations("“for loss)	671,550,289	586,068,836
(II) Net profit from discontinued operations("“for loss)		
VI. Total comprehensive income	671,550,289	586,068,836
VII. Earnings per share		

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

5. Consolidated Cash Flow Statement

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	Half year of 2022	Half year of 2021
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	6,933,269,669	7,148,379,280
Refund of taxes and surcharges	209,272,049	33,207,751
Cash received relating to other operating activities	87,236,568	178,825,175
Subtotal of cash inflow from operating activities	7,229,778,286	7,360,412,206
Cash paid for goods and services	4,720,858,626	3,907,366,000
Cash paid to and on behalf of employees	967,549,535	888,450,173
Payments of taxes and surcharges	434,697,790	619,574,024
Cash payments relating to other operating activities	203,869,214	246,776,634
Subtotal of cash outflow from operating activities	6,326,975,165	5,662,166,831
Net cash flows from/(used in) operating activities	902,803,121	1,698,245,375
II. Cash flows from investing activities		
Cash received from investment recovery	1,988,760,000	1,182,000,000
Cash received from investment income	15,609,996	3,559,719
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	13,563,172	777,451
Cash received relating to other investing activities		32,136,351
Subtotal of cash inflows from investing activities	2,017,933,168	1,218,473,521
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,632,778,700	738,492,345
Cash paid for investment	2,198,160,000	1,644,000,000
Cash paid relating to other investing activities	19,138,102	6,911,853
Subtotal of cash outflows from investing activities	3,850,076,802	2,389,404,198
Net cash flows (used in)/from investing activities	-1,832,143,634	-1,170,930,677
III. Cash flows from financing activities		
Cash received from borrowings	2,277,155,766	605,996,933
Cash received relating to other financing activities	206,753	
Subtotal of cash inflows from financing activities	2,277,362,519	605,996,933
Cash repayments of borrowings	428,340,521	1,099,975,831
Cash payments for interest expenses and distribution of dividends or profits	791,223,957	508,082,947
Cash payments relating to other financing activities	24,165,012	390,507
Subtotal of cash outflows from financing activities	1,243,729,490	1,608,449,285
Net cash flows (used in)/from financing activities	1,033,633,029	-1,002,452,352
IV. Effect of foreign exchange rate changes on cash and cash equivalents	3,195,681	-1,217,711
V. Net increase/(decrease) in cash and cash equivalents	107,488,197	-476,355,365
Add: Cash and cash equivalents at beginning of current period	2,756,477,572	2,124,028,196
VI. Cash and cash equivalents at end of current period	2,863,965,769	1,647,672,831

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

6. Cash Flow Statement of the Parent Company

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	Half year of 2022	Half year of 2021
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	191,082,575	
Cash received relating to other operating activities	39,349,241	29,031,997
Subtotal of cash inflow from operating activities	230,431,816	29,031,997
Cash paid to and on behalf of employees	179,110,652	77,605,388
Payments of taxes and surcharges	7,463,566	11,908,472
Cash paid relating to other operating activities	16,953,909	31,121,887
Sub-total of cash outflows	203,528,127	120,635,747
Net cash flows from/(used in) operating activities	26,903,689	-91,603,750
II. Cash flows from investing activities		
Cash received from investment recovery	1,988,760,000	1,090,000,000
Cash received from investment income	664,571,124	967,450,288
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,477,876	101,560
Sub-total of cash inflows	2,655,809,000	2,057,551,848
Cash paid to acquire fixed assets, intangible assets and other long-term assets	3,611,833	2,669,478
Cash paid for investing activities	2,835,444,015	1,839,799,000
Sub-total of cash outflows	2,839,055,848	1,842,468,478
Net cash flows (used in)/from investing activities	-183,246,848	215,083,370
III. Cash flows from financing activities		
Cash received from borrowings	900,000,000	314,000,000
Cash received relating to other financing activities	379,666,653	143,736,716
Sub-total of cash inflows	1,279,666,653	457,736,716
Cash repayments of borrowings	310,000,000	857,300,000
Cash payments for interest expenses and distribution of dividends or profits	756,638,060	497,947,983
Cash payments relating to other financing activities	1,017,256	
Subtotal of cash outflows from financing activities	1,067,655,316	1,355,247,983
Net cash flows (used in)/from financing activities	212,011,337	-897,511,267
IV. Effect of foreign exchange rate changes on cash and cash equivalents	1,808,472	372,354
V. Net increase/(decrease) in cash and cash equivalents	57,476,650	-773,659,293
Add: Cash and cash equivalents at beginning of current period	1,960,395,527	1,071,200,364
VI. Cash and cash equivalents at end of current period	2,017,872,177	297,541,071

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

7. Consolidated Statement of Changes in Owners' Equity

Prepared by CSG Holding Co., Ltd.

Amount of the current period

Unit: RMB

Item	Half year of 2022								
	Owners' Equity Attributable to the Parent Company							Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Subtotal		
I. Balance at the end of the previous year	3,070,692,107	596,997,085	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
II. Balance at the beginning of current year	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
III. Amount of change in current term("-" for decrease)			6,167,540	-5,443,694		387,035,977	387,759,823	7,416,309	395,176,132
(I) Total amount of the comprehensive income			6,167,540			1,001,174,398	1,007,341,938	7,416,309	1,014,758,247
(II) Capital paid in and reduced by owners									
(III) Profit distribution						-614,138,421	-614,138,421		-614,138,421
1. Appropriations to owners (or shareholders)						-614,138,421	-614,138,421		-614,138,421
(IV) Internal carry-forward of owners' equity									
(V) Specific reserves				-5,443,694			-5,443,694		-5,443,694
1. Withdrawal in the period				4,853,948			4,853,948		4,853,948
2. Used in the period				10,297,642			10,297,642		10,297,642
(VI) Others									
IV. Balance at the end of the period	3,070,692,107	596,997,085	165,368,070	1,852,703	1,144,887,510	6,837,623,394	11,817,420,869	444,229,498	12,261,650,367

7. Consolidated Statement of Changes in Owners' Equity(continued)

Prepared by CSG Holding Co., Ltd.

Amount of the previous period

Unit: RMB

Item	Half year of 2021								
	Owners' Equity Attributable to the Parent Company							Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Subtotal		
I. Balance at the end of the previous year	3,070,692,107	596,997,085	161,816,819	10,269,002	1,036,948,422	5,336,266,412	10,212,989,847	402,894,039	10,615,883,886
II. Balance at the beginning of current year	3,070,692,107	596,997,085	161,816,819	10,269,002	1,036,948,422	5,336,266,412	10,212,989,847	402,894,039	10,615,883,886
III. Amount of change in current term("-" for decrease)			1,322,491	-1,166,410		1,045,448,254	1,045,604,335	16,460,439	1,062,064,774
(I) Total amount of the comprehensive income			1,322,491			1,352,517,465	1,353,839,956	16,460,439	1,370,300,395
(II) Capital paid in and reduced by owners									
(III) Profit distribution						-307,069,211	-307,069,211		-307,069,211
1. Appropriations to owners (or shareholders)						-307,069,211	-307,069,211		-307,069,211
(IV) Internal carry-forward of owners' equity									
(V) Specific reserves				-1,166,410			-1,166,410		-1,166,410
1. Withdrawal in the period									
2. Used in the period				1,166,410			1,166,410		1,166,410
(VI) Others									
IV. Balance at the end of the period	3,070,692,107	596,997,085	163,139,310	9,102,592	1,036,948,422	6,381,714,666	11,258,594,182	419,354,478	11,677,948,660

Legal Representative:Chen Lin

Principal in charge of accounting: Wang Wenxin

Principal of the financial department:Wang Wenxin

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

Prepared by CSG Holding Co., Ltd.

Amount of the current period

Unit: RMB

Item	Half year of 2022				
	Share capital	Capital surplus	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at the end of the previous year	3,070,692,107	741,824,399	1,159,432,870	1,765,173,270	6,737,122,646
II. Balance at the beginning of current year	3,070,692,107	741,824,399	1,159,432,870	1,765,173,270	6,737,122,646
III. Amount of change in current term("–" "for decrease)				57,411,868	57,411,868
(I) Total amount of the comprehensive income				671,550,289	671,550,289
(II) Capital paid in and reduced by owners					
(III) Profit distribution				-614,138,421	-614,138,421
1. Appropriations to owners (or shareholders)				-614,138,421	-614,138,421
(IV) Internal carry-forward of owners' equity					
(V) Special reserves					
(VI) Others					
IV. Balance at the end of the period	3,070,692,107	741,824,399	1,159,432,870	1,822,585,138	6,794,534,514

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

Prepared by CSG Holding Co., Ltd.

Amount of the previous period

Unit: RMB

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

Legal Representative:Chen Lin

Principal in charge of accounting: Wang Wenxin

Principal of the financial department:Wang Wenxin

III. Basic Information of the Company

CSG Holding Co Ltd (the “Company”) was incorporated in September 1984, known as China South Glass Company, as a joint venture enterprise by Hong Kong China Merchants Shipping Co., LTD (香港招商局轮船股份有限公司), Shenzhen Building Materials Industry Corporation (深圳建筑材料工业集团公司), China North Industries Corporation (中国北方工业深圳公司) and Guangdong International Trust and Investment Corporation (广东国际信托投资公司). The Company was registered in Shenzhen, Guangdong Province of the People's Republic of China and its headquarters is located in Shenzhen, Guangdong Province of the People's Republic of China. The Company issued RMB-denominated ordinary shares (“A-share”) and foreign shares (“B-share”) publicly in October 1991 and January 1992 respectively, and was listed on Shenzhen Stock Exchange on February 1992. As at June 30, 2022, the registered capital was RMB 3,070,692,107, with nominal value of RMB1 per share.

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

The financial statements were authorized for issue by the Board of Directors on August 29, 2022.

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

IV. Basis of the preparation of financial statements

1. Basis of preparation

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

2. Going concern

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

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

The financial statements of the Company for the first half year of 2022 truly and completely present the financial position as of June 30, 2022 and the operating results, cash flows and other information for the first half year of 2022 of the Group and the Company in compliance with the Accounting Standards for Business Enterprises.

2. Accounting period

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

3. Operating cycle

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

4. Recording currency

The recording currency is Renminbi (RMB).

5. Business combinations

(a) Business combinations involving entities under common control

The consideration paid and net assets obtained by the absorbing party in a business combination are measured at book value. 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. Criteria for determining 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. Translating of foreign currency operations and foreign currency report form

(a) Foreign currency transaction

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

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.

(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. Assets classified as held for sale

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

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

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

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

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

12. Long-term equity investments

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

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

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

(a) Initial recognition of investment cost

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

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

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

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

13. Investment property

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

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

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

will be calculated into the current profit and loss.

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

When an investment property is disposed of or permanently withdrawn from use and it is expected that no economic benefits can be obtained from its disposal, the confirmation of the investment 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.

14. Fixed assets

(1) Recognition condition

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

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

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

(2) Depreciation methods

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

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

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

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

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

(4) Disposal

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

15. Construction in progress

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

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

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

16. Borrowing costs

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

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

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

17. Intangible assets

(1) Valuation method, useful life and impairment test

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

(a) Land use rights

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

(b) Patents and proprietary technologies

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

(c) Exploitation rights

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

(d) Periodical review of useful life and amortization method

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

(e) Impairment of intangible assets

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

(2) Accounting policy for internal research and development expenditure

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

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

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

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

18. Impairment of long-term assets

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

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

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

19. 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.

20. Employee benefits

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

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

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

(2) Accounting treatment method of post-employment benefits

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

(3) Basic pensions

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

(4) Accounting treatment of dismissal benefits

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

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

21. Estimated liabilities

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

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

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

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

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 is should be regard as exercisable right, no matter the market conditions and non-vesting conditions are meet or not.

If the terms of equity-settled payment are modified, at least the service is confirmed in accordance with the unmodified terms. In addition, the increase of the fair value of the authorized equity instruments, or the beneficial changes to the employees on the modification date, 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 confirm 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

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

(a) Sales of goods

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

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

(b) Rendering of services

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

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

amount.

24 .Government grants

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

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

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

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

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

25. Deferred tax assets / deferred tax liabilities

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

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

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

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

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

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

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. Other important accounting policies and accounting estimates

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

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

(a) Income tax

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

(b) Deferred income tax

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

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

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

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

(d) The useful life of fixed assets

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

(e) Goodwill impairment

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

28. Significant accounting policies and changes in accounting estimates**(1) Important accounting policy changes**

√ Applicable □ Not applicable

Contents and reasons for changes in accounting policy	Approval procedure	Remark
On December 31, 2021, the Ministry of Finance promulgated the "Notice on Printing and Issuing" (Cai Kuai [2021] No. 35) (hereinafter referred to as "Standard Interpretation No. 15"), regarding the company's fixed assets before they reach the intended use state or The accounting treatment of external sales of products or by-products produced in the R&D process and the judgment on loss-making contracts have been clarified. Standard Interpretation No. 15 "Accounting treatment of external sales of products or by-products produced by enterprises before their fixed assets reach their intended usable state or in	The ninth meeting of the ninth board of directors and the ninth meeting of the ninth board of supervisors held on April 28, 2022 reviewed and approved the company's disclosure of accounting statements in accordance with the requirements of Standard Interpretation No. 15 from January 1, 2022.	The adoption of Interpretation No. 15 did not have a significant impact on the financial position and operating results of the Company.

the process of research and development" and "Judgment on onerous contracts" from January 1, 2022 to be implemented.		
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(2) Important accounting estimate changes

Applicable Not applicable

29. Others

(1) Safety production costs

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

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

(2) Segment information

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

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

VI. Taxation

1. The main categories and rates of taxes

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

2. Tax incentives

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. In the 2022 high-tech enterprise qualification review, the income tax rate of 15% will be temporarily applied during the reporting period.

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. In the 2022 high-tech enterprise qualification review, the income tax rate of 15% will be temporarily applied during the reporting period.

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. In the 2022 high-tech enterprise qualification review, the income tax rate of 15% will be temporarily applied during the reporting period.

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. In the 2022 high-tech enterprise qualification review, the income tax rate of 15% will be temporarily applied during the reporting period.

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.

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. In the 2022 high-tech enterprise qualification review, the income tax rate of 15% will be temporarily applied during the reporting period.

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.

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.

Guangxi CSG New Energy Materials Technology Co., Ltd. (“Guangxi CSG New Energy Materials Company”) obtains enterprise income tax preferential treatment for Western Development, and temporarily calculates enterprise income tax at a tax rate of 15% for current year.

Zhaoqing CSG New Energy Technology Co., Ltd. (“Zhaoqing CSG New Energy Company”), Zhangzhou CSG Kibing PV Energy Co., Ltd. (“Zhangzhou CSG PV Energy”), Heyuan CSG Kibing PV Energy Co., Ltd. (“Heyuan 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.

3. Others

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

VII. Notes to the consolidated financial statements

1. Cash at bank and on hand

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Cash on hand	130	
Cash at bank	2,523,965,640	2,453,477,573
Other cash balances	346,076,771	312,448,333
Total	2,870,042,541	2,765,925,906
Including: Total overseas deposits	19,686,544	8,906,359
The total amount of funds that have restrictions on use due to mortgages, pledges, or freezes	6,076,772	9,448,334

2. Trading financial assets

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Financial assets measured at fair value through profit or loss	1,209,000,000	999,600,000
Of which:		
Structured deposits	1,209,000,000	999,600,000
Total	1,209,000,000	999,600,000

3. Notes receivable

(1) Notes receivable listed by classification

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Trade acceptance notes	445,375	19,220,984
Total	445,375	19,220,984

Unit: RMB

Category	Balance at the end of the period					Balance at the beginning of the period				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	

Notes receivable with provision for bad debts on a single item basis	2,226,877	100%	1,781,502	80%	445,375	28,438,249	71%	20,778,806	73%	7,659,443
Notes receivable with bad debt provision based on portfolio						11,561,541	29%			11,561,541
Total	2,226,877	100%	1,781,502	80%	445,375	39,999,790	100%	20,778,806	52%	19,220,984

Provision for bad debts on the individual basis:

Unit: RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Proportion	Reasons for withdrawal
Notes receivable with provision for bad debts on a single item basis	2,226,877	1,781,502	80%	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.
Total	2,226,877	1,781,502		

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

Provision for bad debts in the current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Collect or reversal	Write-off	Transfer to Accounts Receivable	
Individual provision for bad debts	20,778,806				18,997,304	1,781,502
Total	20,778,806				18,997,304	1,781,502

(3) At the end of the period, the company transferred the bills to accounts receivable due to the failure of the drawer to perform

Unit: RMB

Item	Amount of receivables transferred at the end of the period
Trade acceptance notes	27,584,466
Total	27,584,466

4.Accounts receivable

(1) Accounts receivable disclosed by category

Unit: RMB

Category	End of term					Beginning of term				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts on the individual basis	182,594,849	19%	120,581,801	66%	62,013,048	159,936,493	19%	103,566,693	65%	56,369,800
Provision for bad debts by portfolio	796,194,994	81%	15,924,375	2%	780,270,619	687,914,171	81%	13,758,284	2%	674,155,887
Total	978,789,843	100%	136,506,176	14%	842,283,667	847,850,664	100%	117,324,977	14%	730,525,687

Provision for bad debts on the individual basis:

Unit: RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Proportion	Reasons for withdrawal
Provision for bad debts on the individual basis	182,594,849	120,581,801	66%	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.
Total	182,594,849	120,581,801		

Provision for bad debts by portfolio:

Unit: RMB

Name	Closing balance		
	Carrying amount	Provision for bad debts	Proportion
Portfolio 1	796,194,994	15,924,375	2%
Total	796,194,994	15,924,375	

Disclosure by the aging of accounts receivable

Unit: RMB

Aging	Closing balance
Within 1 year (including 1 year)	708,817,267
1 to 2 years	170,870,147

2 to 3 years	48,962,202
Over 3 years	50,140,227
Total	978,789,843

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

Provision for bad debts in the current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Bills receivable transferred in	Collect or reversal	Write-off	
Accounts receivable bad debt provision	117,324,977	6,976,393	18,997,304	5,880,424	912,074	136,506,176
Total	117,324,977	6,976,393	18,997,304	5,880,424	912,074	136,506,176

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

Unit: RMB

Item	Amount written off
Accounts receivable from subsidiaries	912,074

(4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

Unit: RMB

Name	Closing balance of accounts receivable	Proportion in the total balance of accounts receivable at the end of the period	Ending balance of bad debt reserves
Total balances for the five largest accounts receivable	328,308,132	34%	49,011,582
Total	328,308,132	34%	

5.Receivables financing

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance notes	582,328,808	297,046,123
Total	582,328,808	297,046,123

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

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Amount

within 1 year	234,152,262	100%	74,971,763	98%
1 to 2 years	618,299		486,849	1%
2 to 3 years	35,000		520,498	1%
over 3 years	520,498		118,166	
Total	235,326,059		76,097,276	

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

Unit: RMB

Item	Balance	Percentage in total advances to suppliers balance
Total balances for the five largest advances to suppliers	135,780,759	58%

7. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	201,090,652	183,696,711
Total	201,090,652	183,696,711

(1) Other receivables**1) Classification of other receivables by nature**

Unit: RMB

Nature	Closing book balance	Opening book balance
Receivables from special fund for talent	171,000,000	171,000,000
Payments made on behalf of other parties	48,887,030	47,686,819
Advance payment (i)	10,366,164	10,366,164
Refundable deposits	19,669,918	9,191,412
Petty cash	1,572,171	497,273
Others	13,123,214	8,110,638
Total	264,618,497	246,852,306

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

2) Withdrawal of bad debt provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance on 1 January 2022	1,166,526		61,989,069	63,155,595
Balance on 1 January 2022 in current period				

Withdrawal	412,069			412,069
Recovery	15,816			15,816
Write-off	24,003			24,003
Balance on 30 June 2022	1,538,776		61,989,069	63,527,845

3) Disclosure by the aging of other receivables

Unit: RMB

Aging	Closing balance
Within 1 year (including 1 year)	55,141,858
1 to 2 years	8,856,860
2 to 3 years	910,743
Over 3 years	199,709,036
3 to 4 years	2,619,497
4 to 5 years	2,042,730
Over 5 years	195,046,809
Total	264,618,497

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

Provision for bad debts:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Collect or reversal	Write-off	Others	
Provision for bad debts of other receivables	63,155,595	412,069	15,816	24,003		63,527,845
Total	63,155,595	412,069	15,816	24,003		63,527,845

5) Other receivables actually written off in the current period

Unit: RMB

Item	Write-off amount
Other receivables	24,003

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

Unit: RMB

Name of Company	Nature of business	Closing balance	Aging	Proportion in the total balance of other receivables at the end of the period	Closing balance of bad debt provision
Company A	Independent third party	171,000,000	Over 5 years	65%	51,300,000
Governmental	Independent third	24,000,000	Within 1 year	9%	480,000

department B	party				
Governmental department C	Independent third party	11,556,004	Over 5 years	4%	231,120
Company D	Independent third party	10,366,164	Over 5 years	4%	10,366,164
Governmental department E	Independent third party	10,000,000	Within 1 year	4%	200,000
Total		226,922,168		86%	62,577,284

8. Inventories

(1) Inventory classification

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Reserve for depreciation of inventory	Book value	Carrying amount	Reserve for depreciation of inventory	Book value
Raw materials	697,911,751	976,330	696,935,421	389,937,319	1,002,085	388,935,234
Products in process	32,012,843		32,012,843	22,801,437		22,801,437
Products in stock	984,442,555	1,851,314	982,591,241	632,814,981	5,829,059	626,985,922
Material in circulation	55,533,224	160,330	55,372,894	55,480,764	397,832	55,082,932
Total	1,769,900,373	2,987,974	1,766,912,399	1,101,034,501	7,228,976	1,093,805,525

(2) Provision for decline in the value of inventories

单位: 元

Item	Opening balance	Increased in this term		Decreased in this term		Closing balance
		Provision	Others	Reversal or write off	Others	
Raw materials	1,002,085			25,755		976,330
Products in stock	5,829,059			3,977,745		1,851,314
Material in circulation	397,832			237,502		160,330
Total	7,228,976			4,241,002		2,987,974

9. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
VAT to be offset	50,432,826	128,033,622
Enterprise income tax prepaid	8,211,086	3,771,709
VAT input to be recognized	9,956,323	8,888,295
Others	16,435	11,672
Total	68,616,670	140,705,298

10. Investment property**(1) Investment real estate using cost measurement model**

□Applicable √Not applicable

(2) Investment property with fair value measurement mode

√Applicable □ Not applicable

Unit: RMB

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

11. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	9,336,413,529	8,566,515,026
Total	9,336,413,529	8,566,515,026

(1) Particulars of fixed assets

Unit: RMB

Item	Buildings	Machinery and equipment	Motor vehicles	Total
I. Original book value:				
1. Opening balance	4,175,491,233	12,040,306,471	257,186,014	16,472,983,718
2. Increased amount of the period				
(1) Acquisition	2,061,137	21,622,510	8,356,693	32,040,340
(2) Transfers from construction in progress	388,181,424	1,841,384,996	6,455,298	2,236,021,718
(3) Increase in business mergers				
(4) Others		3,107,362	2,009,907	5,117,269
3. Decreased amount of the period				
(1) Disposal or retirement	243,357	31,222,551	7,380,031	38,845,939
(2) Transfer to construction in progress	183,920,987	324,752,456	401,729	509,075,172
(3) Others	1,721,971	822,894	180,124	2,724,989
4. Closing balance	4,379,847,479	13,549,623,438	266,046,028	18,195,516,945
II. Accumulative				

Item	Buildings	Machinery and equipment	Motor vehicles	Total
depreciation				
1. Opening balance	1,129,349,070	5,532,791,435	230,711,343	6,892,851,848
2. Increased amount of the period				
(1) Provision	63,927,057	358,444,891	13,123,636	435,495,584
(2) Others		908,372	287,308	1,195,680
3. Decreased amount of the period				
(1) Disposal or retirement	34,034	5,782,357	7,232,019	13,048,410
(2) Transfer to construction in progress	47,589,170	240,194,191	299,369	288,082,730
(3) Others	372,612	155,946	6,861	535,419
4. Closing balance	1,145,280,311	5,646,012,204	236,584,038	7,027,876,553
III. Impairment provision				
1. Opening balance	59,901,148	953,451,046	264,650	1,013,616,844
2. Increased amount of the period				
(1) Construction in progress transferred in	111,232,516	730,885,926	528,767	842,647,209
3. Decreased amount of the period				
(1) Disposal or scrap		25,037,190		25,037,190
4. Closing balance	171,133,664	1,659,299,782	793,417	1,831,226,863
IV. Book value				
1. Closing book value	3,063,433,504	6,244,311,452	28,668,573	9,336,413,529
2. Opening book value	2,986,241,015	5,554,063,990	26,210,021	8,566,515,026

(2) Fixed assets with pending certificates of ownership

Unit: RMB

Item	Carrying amount	Reasons for not yet obtaining certificates of title
Buildings	783,783,208	Have submitted the required documents and are in the process of application, or the related land use right certificate pending

12. Construction in process

Unit: RMB

Item	Closing balance	Opening balance
Construction in process	2,809,337,684	2,461,088,650
Total	2,809,337,684	2,461,088,650

(1) Particulars of construction in process

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment loss	Book value	Book balance	Provision for impairment loss	Book value
Yichang CSG polysilicon tech-innovation project				1,535,368,156	857,890,185	677,477,971
Anhui Lightweight & high-permeability panel for solar energy equipment manufacturing base project	1,541,203,471		1,541,203,471	765,170,527		765,170,527
Qingyuan New Materials Phase I technical transformation project	221,679,025	94,897,537	126,781,488	297,932,280	174,675,600	123,256,680
Zhaoqing CSG high-grade energy saving glass production line project	55,183,034		55,183,034	279,138,811		279,138,811
Dongguan PV B Building 450MW PERC battery technology upgrade project	186,866,743	184,998,076	1,868,667	186,866,743	184,998,076	1,868,667
Tianjin Energy-saving Coating Production Line Purchase and Upgrade Project				95,225,037		95,225,037
Xianning CSG 1200T/D Photovoltaic Packaging Material Production Line Project	287,738,732		287,738,732	66,449,089		66,449,089
Anhui Fengyang quartz sand project	253,100		253,100	56,656,483		56,656,483
Wujiang Architectural	70,192,064		70,192,064	51,766,295		51,766,295

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment loss	Book value	Book balance	Provision for impairment loss	Book value
Glass newly building intelligent manufacturing plant construction project						
Wujiang Float Lightweight and High-efficiency double-glass processing production line construction project	106,468,188		106,468,188	39,032,912		39,032,912
LED Sapphire Substrate Project	32,420,412	32,420,412		32,420,412	32,420,412	
Zhaoqing CSG high-grade automobile glass production line project	54,688,369		54,688,369	27,941,928		27,941,928
Hebei Panel Glass ultra-thin electronic glass Line II construction project	75,707,997		75,707,997	24,393,421		24,393,421
Dongguan solar double-glass extension technology transformation upgrade project	274,502,743		274,502,743	2,389,871		2,389,871
Dongguan solar light and high-efficiency double-glass processing production line construction project	2,000,908		2,000,908	551,795		551,795
Guangxi Beihai Photovoltaic Green Energy Industry Park (Phase I) Project	3,080,041		3,080,041	382,997		382,997
Hefei CSG	820,064		820,064			

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment loss	Book value	Book balance	Provision for impairment loss	Book value
Energy-saving Glass Intelligent Manufacturing Industry Base Project						
Dongguan Solar G6/G7 Line Process and Equipment Upgrading Project	20,679,019		20,679,019			
Others	212,266,126	24,096,327	188,169,799	275,679,766	26,293,600	249,386,166
Total	3,145,750,036	336,412,352	2,809,337,684	3,737,366,523	1,276,277,873	2,461,088,650

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

Unit: RMB

Project	Budget	Opening balance	Increased this term	Transfer to fixed assets in this term	Closing balance	Proportion between engineering input and budget	Progress	Projects	Accumulated amount of interest capitalization	Including: amount interest capitalization in current period	Interest capitalization rate in current period	Fund recourse
Yichang CSG polysilicon tech-innovation project	49,520,000	1,535,368,156		1,511,107,324	24,260,832		100%	100%				Internal fund and bank loan
Anhui Lightweight & high-permeability panel for solar energy equipment manufacturing base project	3,739,020,000	765,170,527	776,565,916	532,972		1,541,203,471	41%	85%	17,468,116	15,022,618	4.20%	Internal fund and bank loan
Qingyuan New Materials Phase I technical transformation project	534,870,000	297,932,280	4,614,306	363,834	80,503,727	221,679,025	4%	4%				Internal fund and bank loan
Zhaoqing CSG high-grade energy saving glass production line project	500,000,000	279,138,811	27,140,143	251,085,070	10,850	55,183,034	74%	89%	5,405,566	1,250,641	3.80%	Internal fund and bank loan
Dongguan PV B Building 450MW PERC battery technology upgrade project	100,990,000	186,866,743				186,866,743	1%	3%				Internal fund and bank loan

Project	Budget	Opening balance	Increased this term	Transfer to fixed assets in this term	Closing balance	Proportion between engineering input and budget	Progress	Projects	Accumulated amount of interest capitalization	Including: amount interest capitalization in current period	Interest capitalization rate in current period	Fund recourse
Tianjin Energy-saving Coating Production Line Purchase and Upgrade Project	114,945,000	95,225,037	5,636,400	100,861,437			100%	100%	2,644,397	1,134,116	4%	Internal fund and bank loan
Xianning CSG 1200T/D Photovoltaic Packaging Material Production Line Project	858,090,000	66,449,089	221,289,643			287,738,732	33%	65%	10,778,660	5,655,493	4.52%	Internal fund and bank loan
Anhui Fengyang quartz sand project	1,029,300,000	56,656,483	83,192,287	139,595,670		253,100	14%	56%	1,144,948	1,026,584	4.55%	Internal fund and bank loan
Wujiang Architectural Glass newly building intelligent manufacturing plant construction project	179,140,610	51,766,295	18,921,344	495,575		70,192,064	40%	45%	819,017	497,923	3.85%	Internal fund and bank loan
Wujiang Float Lightweight and High-efficiency double-glass processing production line construction project	158,850,000	39,032,912	69,360,586	1,925,310		106,468,188	67%	80%	1,212,348	824,392	4%	Internal fund and bank loan
LED Sapphire	35,000,000	32,420,412				32,420,412	93%	93%	4,650,543			Internal

Project	Budget	Opening balance	Increased this term	Transfer to fixed assets in this term	Closing balance	Proportion between engineering input and budget	Progress	Projects	Accumulated amount of interest capitalization	Including: amount interest capitalization in current period	Interest capitalization rate in current period	Fund recourse
Substrate Project												fund and bank loan
Zhaoqing CSG high-grade automobile glass production line project	609,830,000	27,941,928	26,746,441			54,688,369	9%	13%				Internal fund and bank loan
Hebei Panel Glass ultra-thin electronic glass Line II construction project	284,964,800	24,393,421	51,867,735	553,159		75,707,997	30%	50%	645,947	645,568	4.35%	Internal fund and bank loan
Dongguan solar double-glass extension technology transformation upgrade project	143,490,000	2,389,871	272,112,872			274,502,743	57%	60%	461,552	461,552	3.56%	Internal fund and bank loan
Dongguan solar light and high-efficiency double-glass processing production line construction project	76,140,000	551,795	1,449,113			2,000,908	77%	100%				Internal fund and bank loan

Project	Budget	Opening balance	Increased this term	Transfer to fixed assets in this term	Closing balance	Proportion between engineering input and budget	Progress	Projects	Accumulated amount of interest capitalization	Including: amount interest capitalization in current period	Interest capitalization rate in current period	Fund recourse
Guangxi Beihai Photovoltaic Green Energy Industry Park (Phase I) Project	4,942,051,800	382,997	2,822,610		125,566	3,080,041		2%				Internal fund and bank loan
Hefei CSG Energy-saving Glass Intelligent Manufacturing Industry Base Project	210,190,000		820,064			820,064						Internal fund and bank loan
Dongguan Solar G6/G7 Line Process and Equipment Upgrading Project	59,260,000		20,679,019			20,679,019	6%					Internal fund and bank loan
Others	1,320,351,179	275,679,766	173,035,132	229,501,367	6,947,405	212,266,126			297,042	221,232		Internal fund and bank loan
Total	14,946,003,389	3,737,366,523	1,756,253,611	2,236,021,718	111,848,380	3,145,750,036			45,528,136	26,740,119		

13. Right of use assets

Unit: RMB

Item	Lease Land	Rental housing	Total
I. Original book value:			
1. Opening balance	9,770,358	1,897,983	11,668,341
2. Increased amount of the period			
3. Decreased amount of the period			
(1) Others	473,610		473,610
4. Closing balance	9,296,748	1,897,983	11,194,731
II. Accumulative depreciation			
1. Opening balance	942,985	813,421	1,756,406
2. Increased amount of the period			
(1) Provision	470,592	406,711	877,303
3. Decreased amount of the period			
(1) Others	473,610		473,610
4. Closing balance	939,967	1,220,132	2,160,099
III. Impairment provision			
IV. Book value			
1. Closing book value	8,356,781	677,851	9,034,632
2. Opening book value	8,827,373	1,084,562	9,911,935

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

Unit: RMB

Item	Land use rights	Patents and know-how	Exploitation rights	Others	Total
I. Original book value:					
1. Opening balance	1,169,898,169	428,988,220	5,651,751	46,713,240	1,651,251,380
2. Increased amount of this period					
(1) Acquisition	62,606,655			2,708,775	65,315,430

Item	Land use rights	Patents and know-how	Exploitation rights	Others	Total
(2) Internal R&D		8,010,026			8,010,026
(3) Others				165,706	165,706
3. Decreased amount of the period					
(1) Others				259,999	259,999
4. Closing balance	1,232,504,824	436,998,246	5,651,751	49,327,722	1,724,482,543
II. Accumulated amortization					
1. Opening balance	230,710,042	194,971,917	4,591,610	40,155,929	470,429,498
2. Increased amount of this period					
(1) Provision	12,270,060	16,414,041	91,729	2,632,668	31,408,498
3. Decreased amount of the period					
(1) Others				91,001	91,001
4. Closing balance	242,980,102	211,385,958	4,683,339	42,697,596	501,746,995
III. Impairment provision					
1. Opening balance		13,201,347		9,133	13,210,480
2. Closing balance		13,201,347		9,133	13,210,480
IV. Book value					
1. Closing book value	989,524,722	212,410,941	968,412	6,620,993	1,209,525,068
2. Opening book value	939,188,127	220,814,956	1,060,141	6,548,178	1,167,611,402

At the end of the period, the intangible assets arising from internal research and development accounted for 20.07% of total of intangible assets.

(2) Land use rights without property right certificates

Unit: RMB

Item	Book value	Reason for not yet obtaining certificates of title
Land use rights	4,903,343	

As at June 30, 2022, ownership certificates of land use right (“Land ownership Certificates”) for certain land use rights of the Group with carrying amounts of approximately RMB4,903,343 (cost: RMB6,685,352) had not yet been obtained by the Group (as at December 31, 2021, carrying amount: RMB4,963,913, cost: RMB6,685,352). The Company’s management is of the view that there is no legal restriction for the Group to apply for and obtain the Land Ownership Certificates and has no adverse effect on the Group’s business operation.

15. Development expenditure

Unit: RMB

Item	Opening balance	The increased amount in the period		The decrease amount in the period		Closing balance
		Internal development expenditure	Others	Recognized as intangible assets	Transfer to current profit and loss	
Development expenditure	72,019,362	27,709,486		8,010,026		91,718,822
Total	72,019,362	27,709,486		8,010,026		91,718,822

During Jan.-Jun. 2022, the total amount of research and development expenditures of the Group was RMB 293,587,416 (Jan.-Jun. 2021: RMB 235,137,041), including RMB265,877,930 (Jan.-Jun. 2021: RMB 224,886,882) recorded in income statement for current period and the research and development expenditure with the amount of RMB 8,010,026 recognized as intangible assets for the current period (Jan.-Jun. 2021: 1,247,970). At June 30, 2022, the intangible assets arising from internal research and development accounted for 20.07% of total of intangible assets (31 December 2021: 20.47%).

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

Unit: RMB

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

(2) Goodwill impairment provision

Unit: RMB

Name of the companies	Opening balance	Increased this term	Decreased this term	Closing balance
Shenzhen CSG Displayer	267,244,297			267,244,297
Total	267,244,297			267,244,297

17. Long-term prepaid expenses

Unit: RMB

Item	Opening balance	Increased this term	Amortized this term	Other decreases
Expenses to be amortized	3,013,721	510,145	289,845	3,234,021
Total	3,013,721	510,145	289,845	3,234,021

18. Deferred income tax assets/deferred income tax liabilities**(1) Unoffset deferred income tax assets**

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for asset impairments	900,912,768	136,375,295	1,005,602,209	152,036,386
Deductible loss	309,731,654	59,171,312	621,359,522	106,718,563
Government grants	167,900,580	25,975,215	165,972,475	25,755,549
Accrued expenses	6,019,406	902,911	7,908,397	1,186,260
Inventory unrealized profit	40,952,102	6,091,553	50,797,613	7,619,642
Depreciation of fixed assets	67,473,650	14,344,275	65,556,309	13,582,668
Total	1,492,990,160	242,860,561	1,917,196,525	306,899,068

(2) Unoffset deferred income tax liabilities

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Depreciation of fixed assets	533,523,643	81,918,910	527,215,830	80,756,420
Changes in fair value of investment property	370,245,713	55,536,857	370,245,713	55,536,857
Total	903,769,356	137,455,767	897,461,543	136,293,277

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

Unit: RMB

Item	Off-set amount of deferred income tax assets and liabilities at the period-end	Closing balance of deferred income tax assets or liabilities after off-set	Off-set amount of deferred income tax assets and liabilities at the period-beginning	Opening balance of deferred income tax assets or liabilities after off-set
Deferred tax assets	46,199,114	196,661,447	51,713,145	255,185,923
Deferred tax liabilities	46,199,114	91,256,653	51,713,145	84,580,132

(4) Details of unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible losses	2,046,255,537	2,045,391,888
Total	2,046,255,537	2,045,391,888

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

Unit: RMB

Year	Closing balance	Opening balance	Note
Year of 2022	83,303,539	83,303,539	
Year of 2023	146,238,837	146,238,837	
Year of 2024	178,208,832	178,208,832	
Year of 2025	939,085,536	939,085,536	
Year of 2026	698,555,144	698,555,144	
Year of 2027	863,649		
Total	2,046,255,537	2,045,391,888	

19. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayment of engineering equipment	361,724,043		361,724,043	469,352,622		469,352,622
Prepayment for lease of land use rights	64,250,000		64,250,000	14,810,000		14,810,000
Large-denominati	100,000,000		100,000,000	100,000,000		100,000,000

on certificates of deposit						
Total	525,974,043		525,974,043	584,162,622		584,162,622

20. Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Guaranteed loan	168,108,522	80,770,000
Unsecured loan	300,000,000	100,000,000
Total	468,108,522	180,770,000

(i) On June 30, 2022, the Company provided guarantees for short-term loans of RMB168,108,522 (31 December 2021: RMB 80,770,000).

(ii) On June 30, 2022, the interest rate range of Short-term borrowings is 2.70% - 4.05% (December 31, 2021: 3.40% - 3.90%).

21. Notes payable

Unit: RMB

Item	Closing balance	Opening balance
Trade acceptance notes	145,475,638	107,571,279
Bank acceptance notes	404,463,990	293,091,434
Total	549,939,628	400,662,713

22. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Contract liabilities	413,885,125	335,188,642
Total	413,885,125	335,188,642

23. Accounts payable

(1) List of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Materials payable	945,889,859	665,770,883

Equipment payable	244,832,123	268,623,795
Construction expenses payable	433,608,433	372,802,783
Freight payable	78,993,780	68,894,843
Utilities payable	88,134,291	47,260,003
Others	5,474,045	5,499,005
Total	1,796,932,531	1,428,851,312

(2) Significant accounts payable due for over one year

Unit: RMB

Item	Closing balance	Unpaid reason
Construction and equipments	172,773,389	The final account of the project has not been completed, so it has not been settled.
Total	172,773,389	

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

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
I. Short-term employee benefits payable	426,027,259	881,217,123	1,019,531,915	287,712,467
II. Welfare after departure-defined contribution plans	11,722	73,417,024	73,412,071	16,675
III. Termination benefits	173,998	1,462,816	1,636,814	
Total	426,212,979	956,096,963	1,094,580,800	287,729,142

(2) List of short-term employee benefits

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
1. Wages and salaries, bonuses, allowances and subsidies	402,716,350	818,189,015	958,424,388	262,480,977
2. Social security contributions	5,808	31,093,375	31,087,818	11,365
Including: Medical insurance	5,097	27,629,935	27,624,254	10,778
Work injury insurance	291	2,411,059	2,410,763	587
Maternity insurance	420	1,052,381	1,052,801	

3. Housing funds	958,798	22,181,389	21,933,449	1,206,738
4. Labour union funds and employee education funds	22,346,303	9,753,344	8,086,260	24,013,387
Total	426,027,259	881,217,123	1,019,531,915	287,712,467

(3) List of defined contribution plans

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
1. Basic pensions	11,644	71,000,361	70,995,998	16,007
2. Unemployment insurance	78	2,416,663	2,416,073	668
Total	11,722	73,417,024	73,412,071	16,675

25. Tax payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added-tax payable	63,220,964	77,539,743
Corporate income tax payable	63,421,971	81,469,865
Individual income tax payable	5,291,100	4,947,559
City maintenance and construction tax	4,221,243	5,853,393
Property tax	9,979,982	4,126,693
Education surcharge	3,232,672	4,662,534
Environmental tax	1,308,540	1,674,797
Others	3,975,678	4,735,097
Total	154,652,150	185,009,681

26. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Interest payable	36,640,548	95,001,362
Other payables	185,226,388	194,439,115
Total	221,866,936	289,440,477

(1) Interest payable

Unit: RMB

Item	Closing balance	Opening balance
Interest on long-term loans with interest paid by installments and principal repaid at maturity	3,722,120	2,558,374
Interest payable for short-term borrowings	660,363	184,923
Interest for corporate bonds	32,258,065	92,258,065
Total	36,640,548	95,001,362

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

Unit: RMB

Item	Closing balance	Opening balance
Guarantee deposits received from construction contractors	101,021,553	101,467,608
Accrued operating costs and expenses(i)	39,421,751	51,592,989
Payable for contracted labour costs	22,061,379	21,273,645
Temporary receipts	9,630,262	6,033,599
Guarantee for disabled	6,727,370	5,796,364
Others	6,364,073	8,274,910
Total	185,226,388	194,439,115

(i) This item mainly includes various expenses incurred but not yet obtained an invoice at the end of the period, including utilities, professional service fees, travel expenses, etc.

27. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Bonds payable due within one year	1,997,931,024	
Long-term borrowings due within 1 year	335,498,431	466,098,352
Long-term payables due within one year	37,830,760	36,865,104
Lease liabilities due within one year	653,324	857,092
Total	2,371,913,539	503,820,548

28. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
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Output tax to be transferred	47,430,142	39,799,309
Others	300,000	300,000
Total	47,730,142	40,099,309

29. Long-term borrowings

(1) Classification of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Guaranteed	1,916,136,468	779,059,824
Credit loan	1,245,000,000	690,000,000
Total	3,161,136,468	1,469,059,824

As at 30 June 2022, the interest of long-term borrowings varied from 2.95%-4.60% (31 December 2021: 4%-4.6%).

30. Bonds payable

(1) Bonds payable

Unit: RMB

Item	Closing balance	Opening balance
Bonds payable		1,996,587,330
Total		1,996,587,330

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

Unit: RMB

Name	Face value	Issue date	Term	Amount of issue	Opening balance	Issue in the period	Interest accrued at face value	Amortization of premium and discount	Current repayment	Reclassified to non-current liabilities due within one year	Closing balance
20 CSG 01	100	2020-3-24 to 2020-3-25	3 years	2,000,000,000	1,996,587,330		60,000,000	1,343,694		1,997,931,024	

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

31. Lease liability

Unit: RMB

Item	Closing balance	Opening balance
Lease liability		220,138
Total		220,138

32. Long-term payables

Unit: RMB

Item	Closing balance	Opening balance
Long-term payables	149,062,955	168,258,062
Total	149,062,955	168,258,062

(1) Long-term payables by nature of payment

Unit: RMB

Item	Closing balance	Opening balance
Finance lease payable	149,062,955	168,258,062

33. Deferred income

Unit: RMB

Item	Opening balance	Increase in current period	decrease in current period	Closing balance
Government grants	564,129,128	3,000,000	71,815,510	495,313,618
Total	564,129,128	3,000,000	71,815,510	495,313,618

Projects involving government subsidies:

Unit: RMB

Item in debt	Opening balance	Increase in current period	Account to other income in this period	Closing balance	Related to assets or income
Tianjin CSG Golden Sun Project (i)	40,217,551		1,687,446	38,530,105	Assets related
Dongguan CSG Golden Sun Project (ii)	32,324,250		1,375,500	30,948,750	Assets related
Hebei CSG Golden Sun Project (iii)	33,000,000		1,375,000	31,625,000	Assets related
Xianning CSG Golden Sun Project (iv)	35,860,917		1,515,250	34,345,667	Assets related

Item in debt	Opening balance	Increase in current period	Account to other income in this period	Closing balance	Related to assets or income
Infrastructure compensation for Wujiang CSG Glass Co., Ltd (v)	23,462,746		2,020,769	21,441,977	Assets related
Qingyuan Energy-saving project (vi)	10,909,167		1,235,000	9,674,167	Assets related
Yichang Silicon products project (vii)	10,546,875		1,406,250	9,140,625	Assets related
Yichang CSG silicon slice auxiliary project (viii)	19,100,966	2,500,000	991,272	20,609,694	Assets related
Sichuan energy-saving glass project (ix)	3,859,380		827,010	3,032,370	Assets related
Group coating film experimental project (x)	1,500,000		187,500	1,312,500	Assets related
Yichang high purity silicon material project (xi)	2,417,619		151,589	2,266,030	Assets related
Yichang semiconductor silicon material project (xii)	2,866,666		66,667	2,799,999	Assets related
Yichang CSG Display project (xiii)	40,565,357		1,333,906	39,231,451	Assets related
Xianning Photoelectric project (xiv)	6,240,000		134,162	6,105,838	Assets related
Shenzhen medical equipment subsidy project(xv)	7,178,000		582,000	6,596,000	Assets related
Hebei float emission reward (xvi)	9,355,414		366,879	8,988,535	Assets related
Group talent fund project (xvi)	171,000,000			171,000,000	Income related
Zhaoqing energy saving industry support fund project(xvii)	87,255,711		54,579,905	32,675,806	Income related
Others	26,468,509	500,000	1,979,405	24,989,104	Assets related
Total	564,129,128	3,000,000	71,815,510	495,313,618	

(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.
- (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 PolysSilicon "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.

34. Share Capital

Unit: RMB

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

35. Capital surplus

Unit: RMB

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

36. Other comprehensive income

Unit: RMB

Item	Opening balance	Occurring in current period				Closing balance
		Amount incurred before income tax	Less: income tax expense	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
I. Other comprehensive income items which can not be reclassified to profit or loss						
II. Other comprehensive income items which will be reclassified to profit or loss	159,200,530	6,167,540		6,167,540		165,368,070
Differences on translation of	-4,501,267	6,167,540		6,167,540		1,666,273

foreign currency financial statements						
Finance incentives for energy and technical transformation	2,550,000					2,550,000
Income from conversion of self use real estate and land use right into investment real estate	161,151,797					161,151,797
Total of other comprehensive income	159,200,530	6,167,540		6,167,540		165,368,070

37. Special reserves

Unit: RMB

Item	Opening balance	Increased this term	Decreased this term	Closing balance
Safety production cost	7,296,397	4,853,948	10,297,642	1,852,703
Total	7,296,397	4,853,948	10,297,642	1,852,703

38. Surplus reserves

Unit: RMB

Item	Beginning of term	Increased this term	Decreased this term	End of term
Statutory surplus reserve	1,017,034,942			1,017,034,942
Discretionary surplus reserve	127,852,568			127,852,568
Total	1,144,887,510			1,144,887,510

39. Undistributed profits

Unit: RMB

Item	The current period	The same period of last year
Retained earnings at the end of the previous term before adjustment	6,450,587,417	5,336,266,412
Retained earnings at the beginning of this term after adjustment	6,450,587,417	5,336,266,412

Add: net profits belonging to equity holders of the Company	1,001,174,398	1,352,517,465
Less: Common stock dividends payable	614,138,421	307,069,211
Retained earnings in the end	6,837,623,394	6,381,714,666

40. Revenue and cost of sales

Unit: RMB

Item	Occurred in current term		Occurred in previous term	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	6,421,792,209	4,599,587,540	6,549,257,796	4,117,364,759
Revenue from other operations	97,424,467	38,058,387	65,544,742	9,262,386
Total	6,519,216,676	4,637,645,927	6,614,802,538	4,126,627,145

41. Tax and surcharge

Unit: RMB

Item	Occurred in current term	Occurred in previous term
City maintenance and construction tax	15,694,124	20,244,886
Educational surcharge	13,036,606	17,918,346
Housing property tax	17,222,873	16,177,724
Land use rights	8,675,097	11,475,052
Stamp tax	3,840,095	3,873,467
Environmental protection tax	2,206,638	3,569,685
Others	605,189	706,894
Total	61,280,622	73,966,054

42. Sales expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Freight expenses	2,557,634	5,430,828
Employee benefits	92,473,703	82,609,837
Entertainment expenses	5,362,131	10,768,857
Business travel expenses	2,856,337	4,144,027
Vehicle use fee	4,488,510	3,994,805
Rental expenses	4,437,109	3,608,518
Depreciation expenses	396,591	386,840
Insurance premium	8,951,501	1,943,539

Others	12,383,136	12,438,764
Total	133,906,652	125,326,015

43. Administrative expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Employee benefits	194,016,411	205,775,425
Depreciation expenses	29,261,329	30,558,014
Amortization of intangible assets	31,408,498	31,383,145
General office expenses	13,393,317	14,283,686
Labour union funds	9,792,599	9,143,124
Entertainment fees	8,507,539	8,583,533
Business travel expenses	2,194,600	3,293,171
Utility fees	2,955,260	2,661,302
Canteen fee	4,624,155	3,737,420
Vehicle use fee	3,213,151	2,818,991
Consulting advisers	3,470,195	7,243,698
Others	15,798,758	35,433,195
Total	318,635,812	354,914,704

44. Research and development expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Research and development expenses	265,877,930	224,886,882
Total	265,877,930	224,886,882

45. Finance expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Interest on borrowings	118,724,723	103,386,761
Less: Capitalised interest	26,740,119	1,416,342
Interest expenses	91,984,604	101,970,419
Less: Interest income	30,756,704	20,024,847
Exchange losses	-210,284	3,871,530

Others	1,779,736	1,182,897
Total	62,797,352	86,999,999

46. Other income

Unit: RMB

Source of other gains	Occurred in current term	Occurred in previous term
Government subsidy amortization	71,815,510	16,158,100
Industry support funds	1,500,000	1,782,700
Government incentive funds	17,203,284	11,750,470
Research grants	2,196,600	2,129,180
Others	6,587,158	4,733,354
Total	99,302,552	36,553,804

47. Investment income

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Structural deposit income	14,478,503	3,075,863
Fixed deposit income	1,935,192	596,467
Total	16,413,695	3,672,330

48. Credit impairment losses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Losses on bad debts of other receivables	-396,253	-110,593
Losses on bad debts of accounts receivable	-1,095,969	-2,413,455
Total	-1,492,222	-2,524,048

49. Asset impairment losses

Unit: RMB

Item	Occurred in current term	Occurred in previous term
1. Decline in the value of inventories	1,456	
2. Impairment loss of fixed assets		-26,753,082
Total	1,456	-26,753,082

50. Asset disposal income

Unit: RMB

Source of income from assets disposal	Occurred in current term	Occurred in previous term
Gains and losses on disposal of non current assets	12,745,461	137,638
Total	12,745,461	137,638

51. Non-operating income

Unit: RMB

Item	Occurred in current term	Occurred in previous term	Amount of non-recurring gain and loss included in the report period
Compensation income	45,951	2,504,317	45,951
Amounts unable to pay	3,861,020	2,998,725	3,861,020
Insurance claim	9,040,000	525,484	9,040,000
Others	2,186,007	1,523,272	2,186,007
Total	15,132,978	7,551,798	15,132,978

52. Non-operating expenses

Unit: RMB

Item	Occurred in current term	Occurred in previous term	Amount of non-recurring gain and loss included in the report period
Donation expenditure	1,731,127	265,306	1,731,127
Compensation	599,074		599,074
Financial aid refund	74,583	15,028,336	74,583
Others	1,255,286	1,168,343	1,255,286
Total	3,660,070	16,461,985	3,660,070

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

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Current income tax expenses	103,724,527	260,737,212
Deferred income tax expenses	65,200,997	-5,456,922
Total	168,925,524	255,280,290

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

Unit: RMB

Item	Occurred in current term
Total profit	1,177,516,231
Current income tax expense accounted by tax and relevant regulations	181,726,624
Adjusting the effect of prior period income tax	-3,872,718
Impact of non-deductible costs, expenses and losses	851,340
Impact on the use of deductible loss of deferred income tax assets not recognized in previous period	-5,210,915
Influence deductible losses of unrecognized deferred income tax assets	129,547
Impact of tax incentives	-4,698,354
Income tax expenses	168,925,524

54. Other comprehensive income

See the note for details.

55. Items of the cash flow statement**(1) Cash received relating to other operating activities**

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Interest income	30,756,704	20,024,847
Government grant	30,487,042	113,114,204
Others	25,992,822	45,686,124
Total	87,236,568	178,825,175

(2) Cash paid relating to other operating activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Freight expenses	3,928,266	7,337,545
General office expenses	19,162,389	21,928,236
Business travel expenses	7,379,731	9,925,103
Entertainment fees	16,277,475	20,105,592
Vehicle use fee	8,129,592	6,874,692

Maintenance fee	13,668,199	10,878,076
Rental expenses	10,391,291	11,665,203
Insurance	22,824,587	7,889,601
Commission	1,610,434	1,182,897
Consulting fees	6,193,327	5,050,890
Others	94,303,923	143,938,799
Total	203,869,214	246,776,634

(3) Other cash received related to investment activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Deposit		26,124,986
Income from trial production of construction in progress		6,011,365
Total		32,136,351

(4) Other cash paid related to investment activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Trial production expenditure in construction		6,911,853
Investment Deposit and Margin	19,138,102	
Total	19,138,102	6,911,853

(5) Other cash received related to financing activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Collection of A/B share tax	206,753	
Total	206,753	

(6) Other cash paid related to financing activities

Unit: RMB

Item	Occurred in current term	Occurred in previous term
Repay financing leases	23,022,757	
Withholding tax on A/B shares, etc.	1,142,255	390,507
Total	24,165,012	390,507

56. Supplement information to the cash flow statement**(1) Supplement information to the cash flow statement**

Unit: RMB

SupplementaryInfo.	Amount of this term	Amount of last term
1. Reconciliation from net profit to cash flows from operating activities		
Net profit	1,008,590,707	1,368,977,904
Add: Provisions for assets impairment	-1,456	26,753,082
Credit impairment loss	1,492,222	2,524,048
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	435,495,584	448,555,136
Depreciation of right-of-use assets	877,303	471,792
Amortization of intangible assets	31,408,498	31,383,145
Amortization of long-term prepaid expenses	289,845	163,410
Losses on disposal of fixed assets intangible assets and other long-term assets (“- “for gains)	-12,745,461	-137,638
Finance expenses (“- “for gains)	91,984,604	101,970,419
Investment loss (“- “for gains)	-16,413,695	-3,672,330
Decrease in deferred income tax assets (“- “for increase)	58,524,476	-8,575,782
Increase of deferred income tax liability (“- “for decrease)	6,676,521	3,118,860
Decrease of inventory (“- “for increase)	-668,865,872	-236,251,630
Decrease of operational receivable items (“- “for increase)	-544,965,419	-260,405,962
Increase of operational payable items (“- “for decrease)	505,601,316	224,537,331
Others	4,853,948	-1,166,410
Net cash flow generated by business operation	902,803,121	1,698,245,375
2. Net change of cash and cash equivalents		
Balance of cash at the end of the period	2,863,965,769	1,647,672,831
Less: Initial balance of cash	2,756,477,572	2,124,028,196
Net increasing of cash and cash equivalents	107,488,197	-476,355,365

(2) Formation of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	2,863,965,769	2,756,477,572

Incl: Cash on hand	130	
Bank deposits that can be readily drawn on demand	2,523,965,640	2,453,477,573
Other cash balances that can be readily drawn on demand	339,999,999	302,999,999
II. Balance of cash and cash equivalents at the end of the period	2,863,965,769	2,756,477,572

57. Assets with restricted ownership or use rights

Unit: RMB

Item	Ending book value	Reason for restriction
Monetary assets	6,076,772	Circulation of margin, etc. is restricted
Fixed assets	148,986,093	Financial leasing is restricted
Total	155,062,865	

58. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance convert to RMB
Cash at bank and on hand			56,375,983
Incl: USD	6,088,330	6.7114	40,861,221
EUR	890,687	7.0084	6,242,290
HKD	10,827,830	0.8552	9,259,960
AUD	797	4.6145	3,680
JPY	16,395	0.0491	805
SGD	1,666	4.8170	8,027
Accounts receivable			72,743,784
Incl: USD	9,720,348	6.7114	65,237,143
EUR	834,785	7.0084	5,850,510
HKD	1,936,542	0.8552	1,656,131
Accounts payable			38,601,456
Incl: USD	5,422,812	6.7114	36,394,660
EUR	188,656	7.0084	1,322,176
HKD	736,623	0.8552	629,960
JPY	3,363,707	0.0491	165,158

Item	Closing balance of foreign currency	Exchange rate	Closing balance convert to RMB
GBP	11,000	8.1365	89,502

59. Government subsidy

(1) Basic situation of government subsidies

Unit: RMB

Type	Amount	Presentation item	Amount included in current profit and loss
Government subsidy amortization	71,815,510	Other income	71,815,510
Other government subsidies	27,487,042	Other income	27,487,042

(2) Return of government subsidies

√Applicable Not applicable

Unit: RMB

Item	Amount	Reason
Shenzhen float high-strength ultra-thin glass industrialization research project	74,583	

VIII. The changes of consolidation scope

1. Changes in scope of consolidation for other reasons

On February 14, 2022, the Group set up a subsidiary, Yichang CSG New Energy Material Technology Co., Ltd.(hereinafter referred to as " Yichang New Energy Materials Co., Ltd "). As of June 30, 2022, the Group had made a monetary contribution of RMB 1 million.

IX. Equity in other entities

1. Equity in subsidiary

(1) Composition of the Group

Name of subsidiary	Major business location	Place of registration	Scope of business	Shareholding (%)		Way of acquisition
				Direct	Indirect	
Chengdu CSG	Chengdu, PRC	Chengdu, PRC	Development, production and sales of	75%	25%	Establishment

			special glass			
Sichuan CSG Energy Conservation	Chengdu, PRC	Chengdu, PRC	Development, production and sales of special glass and processing of glass	75%	25%	Split-off
Tianjin Energy Conservation	Tianjin, PRC	Tianjin, PRC	Development, production and sales of special glass	75%	25%	Establishment
Dongguan CSG Engineering	Dongguan, PRC	Dongguan, PRC	Intensive processing of glass	75%	25%	Establishment
Dongguan CSG Solar	Dongguan, PRC	Dongguan, PRC	Production and sales of solar glass	75%	25%	Establishment
Dongguan CSG PV-tech	Dongguan, PRC	Dongguan, PRC	Production and sales of hi-tech green battery and components	100%		Establishment
Yichang CSG Polysilicon	Yichang, PRC	Yichang, PRC	Production and sales of high-purity silicon materials	75%	25%	Establishment
Wujiang CSG Engineering	Wujiang, PRC	Wujiang, PRC	Intensive processing of glass	75%	25%	Establishment
Hebei CSG	Yongqing, PRC	Yongqing, PRC	Production and sales of special glass	75%	25%	Establishment
Wujiang CSG	Wujiang, PRC	Wujiang, PRC	Production and sales of special glass	100%		Establishment
China Southern Glass (Hong Kong)	Hong Kong, PRC	Hong Kong, PRC	Investment holding	100%		Establishment
Xianning CSG	Xianning, PRC	Xianning, PRC	Production and sales of special glass	75%	25%	Establishment
Xianning CSG Energy-Saving	Xianning, PRC	Xianning, PRC	Intensive processing of glass	75%	25%	Split-off
Qingyuan CSG Energy-Saving	Qingyuan, PRC	Qingyuan, PRC	Production and sales of ultra-thin electronic glass	100%		Establishment
Shenzhen CSG Financial Leasing Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Finance leasing, etc.	75%	25%	Establishment
Jiangyou CSG Mining Development Co., Ltd.	Jiangyou, PRC	Jiangyou, PRC	Production and sales of silica and its by-products	100%		Establishment
Shenzhen CSG Display	Shenzhen, PRC	Shenzhen, PRC	Production and sales of display component products	60.8%		Acquisition
Zhaoqing Energy-Saving Glass	Zhaoqing, PRC	Zhaoqing, PRC	Production and sales of special glass	100%		Establishment
Zhaoqing Automobile Glass	Zhaoqing, PRC	Zhaoqing, PRC	Production and sales of special glass	100%		Establishment
Anhui CSG New Energy Materials	Fengyang, PRC	Fengyang, PRC	Develop, manufacture and sell key materials or complete sets of equipment for new energy power generation	100%		Establishment

Anhui CSG New Quartz material	Fengyang, PRC	Fengyang, PRC	Quartzite mining, processing, purification, sales	100%		Establishment
Anhui Mining	Fengyang, PRC	Fengyang, PRC	Mining of mineral resources	60%		Establishment
Xi'an Energy-saving	Xi'an, PRC	Xi'an, PRC	Production and sales of special glass	55%	45%	Establishment
Guangxi new energy materials Co., Ltd	Longgang, ,PRC	Longgang, ,PRC	Production and sales of special glass	75%	25%	Establishment

(2) Important non-wholly owned subsidiary

Unit: RMB

Subsidiaries	Shareholding of minority shareholders	Total profit or loss attributable to minority shareholders for the year ended 30 June 2022	Dividends distributed to minority interests for the year ended 30 June 2022	Minority interest as at 30 June 2022
Shenzhen CSG Display	39.2%	6,859,691		411,269,177

(3) Major financial information of important non-wholly owned subsidiaries

Unit: RMB

Name of Subsidiary	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen CSG Display	303,462,273	1,348,133,307	1,651,595,580	464,018,122	82,380,830	546,398,952
	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
	210,979,056	1,378,748,179	1,589,727,235	448,244,735	54,572,497	502,817,232

Unit: RMB

Name of Subsidiary	Occurred in current term				Occurred in previous term			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen CSG Display	276,320,544	21,191,648	21,191,648	20,948,584	378,092,939	46,313,955	46,313,955	57,269,209

X. Risk related to financial instrument

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

(1) Market risk

(a) Foreign exchange risk

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

As at 30 June 2022, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarized below:

	30 June 2022			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency				
Cash at bank and on hand	40,861,221	9,259,960	6,254,802	56,375,983
Receivables	65,237,143	1,656,131	5,850,510	72,743,784
Total	106,098,364	10,916,091	12,105,312	129,119,767
Financial liabilities denominated in foreign currency				
Payables	36,394,660	629,960	1,576,836	38,601,456
Total	36,394,660	629,960	1,576,836	38,601,456

	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
Total	137,642,617	4,112,390	6,142,274	147,897,281
Financial liabilities denominated in foreign currency				
Payables	40,306,973	201,921	2,416,770	42,925,664
Total	40,306,973	201,921	2,416,770	42,925,664

As at 30 June 2022, 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 RMB5,924,815 lower/higher (31 December 2021: approximately RMB 8,273,530 lower/higher) for various financial assets and liabilities denominated in USD.

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

(b) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing borrowings including long-term borrowings and bonds payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2022, the Group's long-term interest-bearing debt at variable rates and fixed rates as illustrated below:

Type	30 June 2022	31 December 2021
Debt at fixed rates	789,569,526	2,404,372,257
Debt at variable rates	2,371,566,942	1,061,274,897
Total	3,161,136,468	3,465,647,154

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

(2) Credit risk

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

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

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

(3) Liquidity risk

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

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

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

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

	30 June 2022				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	481,724,918				481,724,918
Notes payable	549,939,628				549,939,628
Accounts payable	1,796,932,531				1,796,932,531
Other payables	221,866,936				221,866,936
Other current liabilities	47,730,142				47,730,142
Non-current liabilities due within one year	2,468,442,587				2,468,442,587
Long-term payables		149,062,955			149,062,955
Long-term borrowings	125,145,270	1,413,083,190	1,544,631,303	471,015,574	3,553,875,337
Total	5,691,782,012	1,562,146,145	1,544,631,303	471,015,574	9,269,575,034

	31 December 2021				
	Within 1 year	1 to 2 years	2 to 5 years	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
Total	3,036,503,852	2,662,499,645	889,057,539	363,125,181	6,951,186,217

XI. Disclosure of fair value

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

Unit: RMB

	Fair value at the end of the period			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value with changes included in current profit and loss				
Structured deposits		1,209,000,000		1,209,000,000
Financial assets measured at fair value through other comprehensive income				
Receivables Financing		582,328,808		582,328,808
Investment property		383,084,500		383,084,500
Total		2,174,413,308		2,174,413,308

XII. Related party and related Transaction

1. Information of the parent company

The Company regards no entity as the parent company.

2. Information of the subsidiaries

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

3. Joint venture of the Company

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

4. Other related parties

Other related parties	Relationship between other related parties and the enterprise
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Foresea Life Insurance Co., Ltd.	The Company's largest shareholder
Shenzhen Jushenghua Co., Ltd.	A related party of the Company's largest shareholder
Xinjiang Qianhai United Property Insurance Co., Ltd.	A related party of the Company's largest shareholder
Suzhou Baoqi Logistics Co., Ltd.	A related party of the Company's largest shareholder
Shenzhen Baoneng Automobile Sales Service Co., Ltd	A related party of the Company's largest shareholder

5. Related party transactions

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

Purchase of goods / acceptance of labor services

Unit: RMB

Related party	Related party transactions	Amount incurred in the current period	Whether the transaction limit is exceeded	Amount incurred in the previous period
Suzhou Baoqi Logistics Co., Ltd.	Acceptance of labor services		None	5,247,713
Foresea Life Insurance Co., Ltd.	Purchase Purchase of life insurance	3,323,544	None	1,224,197
Shenzhen Baoneng Automobile Sales Service Co., Ltd	Purchase of goods		None	1,818,050
Xinjiang Qianhai United Property Insurance Co., Ltd.	Purchase auto insurance		None	84,149
Other related parties	Purchase of goods	245,339	None	609,968
Total		3,568,883	None	8,984,077

Sales of goods / provision of labor services

Unit: RMB

Related party	Related party transactions	Amount incurred in the current period	Amount incurred in the previous period
Shenzhen Jushenghua Co., Ltd.	Sales of goods		500
Other related parties	Sales of goods	208,935	559,600
Total		208,935	560,100

(2) Related lease

The company as the lessee:

Unit: RMB

Name of lessor	Types of leased	Rental costs for simplified short-term leases and low value asset	Variable lease payments not included in the measurement of	Rent paid	Interest expense of lease liabilities undertaken	Increased use right assets
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	assets	leases(if applicable)		lease liabilities (if applicable)							
		Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period
Other related parties	Leased plant					442,325		19,559			

6. Accounts receivable and payable of related parties

(1) Receivables

Unit: RMB

Related party	Closing balance		Opening balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Foresea Life Insurance Co., Ltd.	457,134		1,715	
Other related parties	283,146	4,064	240,905	4,819
Total	740,280	4,064	242,620	4,819

(2) Payables

Related party	Closing book balance	Opening book balance
Suzhou Baoqi Logistics Co., Ltd.	518,280	2,731,013
Other related parties	134,025	133,408
Total	652,305	2,864,421

XIII. Share based payment

1.General situation of share based payment

Applicable Not applicable

2.Share based payment settled by equity

Applicable Not applicable

3. Cash settled share based payment

Applicable Not applicable

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

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

Unit: RMB

Item	30 June 2022	31 December 2021
Buildings, machinery and equipment	3,255,792,770	2,994,615,272

XV. Other important matters**1. Segment information****(1) Definition foundation of segment and accounting policy**

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

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

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

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

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

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

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

(2) Financial information of segment

Unit: RMB

Item	Glass industry	Electronic glass and display	Solar energy and other industries	Unallocated	Elimination	Total
Revenue from external customers	4,374,933,542	722,676,247	1,405,993,071	15,613,816		6,519,216,676
Inter-segment revenue	53,836,884	87,239,522	27,648,076	214,893,714	-383,618,196	
Interest income	1,783,726	281,292	308,648	28,383,038		30,756,704
Interest expenses	4,057,266	3,838,337	-135,478	84,224,479		91,984,604
Asset impairment losses			-1,456			-1,456
Credit impairment loss	848,260	-320,455	879,333	85,084		1,492,222
Depreciation and amortization expenses	284,583,466	114,919,758	64,926,060	3,641,946		468,071,230
Total profit	698,174,831	130,737,688	333,914,370	14,689,342		1,177,516,231
Income tax expenses	99,050,153	18,781,190	52,257,720	-1,163,539		168,925,524
Net profit	599,124,678	111,956,498	281,656,650	15,852,881		1,008,590,707
Total assets	11,258,772,055	3,727,213,216	3,285,363,409	4,199,829,096		22,471,177,776
Total liabilities	4,895,321,766	641,350,698	584,360,531	4,088,494,414		10,209,527,409
Increase in non current assets	1,426,159,873	69,360,125	132,889,883	3,450,028		1,631,859,909

(3) Other statement

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

Revenue from external customers	Jan.-Jun. 2022	Jan.-Jun. 2021
Mainland	6,019,026,588	5,993,997,205
Overseas	500,190,088	620,805,333
Total	6,519,216,676	6,614,802,538
Total non-current assets	30 June 2022	31 December 2021
Mainland	14,103,009,578	12,982,067,078

Hong Kong	12,376,080	12,403,499
Total	14,115,385,658	12,994,470,577

XVI. Notes to Financial Statements of the Parent Company

1.Accounts receivable

(1) Classified disclosure of accounts receivable

Unit: RMB

Category	Ending book balance					Beginning book balance				
	Book balance		Bad debt provision		book value	Book balance		Bad debt provision		book value
	amount of money	proportion	amount of money	Accrual proportion		amount of money	proportion	amount of money	Accrual proportion	
Accounts receivable for which bad debt reserves are withdrawn by portfolio	2,037,007	100%	40,740	2%	1,996,267					
Total	2,037,007	100%	40,740	2%	1,996,267					

Provision for bad debts by portfolio:

Unit: RMB

Name	Ending book balance		
	Book balance	Bad debt provision	Accrual proportion
Portfolio 1	2,037,007	40,740	2%
Total	2,037,007	40,740	

Disclosed by aging

Unit: RMB

Aging	Ending book balance
Within 1 year (including 1 year)	2,037,007
Total	2,037,007

(2)Bad debt reserves withdrawn, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: RMB

Category	Beginning book balance	Amount of change in the current period				Ending balance
		Provision	Collect or reversal	Write off	Others	
Bad debt reserves of accounts receivable		40,740				40,740
Total		40,740				40,740

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

Unit: RMB

Unit name	Ending balance of accounts receivable	Proportion in total closing balance of accounts receivable	Ending balance of bad debt provision
Total accounts receivable of the top 5 in balance	2,037,007	100%	40,740
Total	2,037,007	100%	

2. Other receivables

Unit: RMB

Item	Ending balance	Book balance
Dividends receivable	250,000,000	250,000,000
Other receivables	2,374,297,723	2,649,091,405
Total	2,624,297,723	2,899,091,405

(1) Dividends receivable**1) Classification of dividends receivable**

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Dividends receivable from subsidiaries	250,000,000	250,000,000
Total	250,000,000	250,000,000

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

Unit: RMB

Nature of accounts	Ending book balance	Beginning book balance
Accounts receivable of related party	2,250,430,875	2,526,427,812
Others	175,252,620	174,005,021
Total	2,425,683,495	2,700,432,833

2) Withdrawal of bad debt provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance on 1 January 2022	41,428		51,300,000	51,341,428
Balance on 1 January 2022 in current period				
Provision for this period	44,344			44,344
Balance on 30 June 2022	85,772		51,300,000	51,385,772

3) Other receivables disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	2,253,443,341
1 to 2 years	1,036,498
2 to 3 years	98,190
More than 3 years	171,105,466
3 to 4 years	75,371
More than 5 years	171,030,095
Total	2,425,683,495

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

Provision for bad debts:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Collect or reversal	Write-off	Others	
Provision for bad debts by portfolio	51,341,428	44,344				51,385,772
Total	51,341,428	44,344				51,385,772

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

Unit: RMB

Name of the company	Nature of accounts	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
Dongguan CSG PV-tech	Subsidiary	569,768,167	Within 1 year	23%	
Qingyuan CSG Energy-saving	Subsidiary	342,364,169	Within 1 year	14%	
Shenzhen CSG Display	Subsidiary	334,548,092	Within 1 year	14%	
Xianning CSG Photoelectric	Subsidiary	251,068,779	Within 1 year	10%	
China Southern Glass (Hong Kong)	Subsidiary	240,438,085	Within 1 year	10%	
Total		1,738,187,292		71%	

3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	6,914,675,709	15,000,000	6,899,675,709	6,277,391,694	15,000,000	6,262,391,694
Total	6,914,675,709	15,000,000	6,899,675,709	6,277,391,694	15,000,000	6,262,391,694

(1) Investment in subsidiaries

Unit: RMB

Invested company	Opening balance (book value)	Increase and decrease in the current period				Closing balance (book value)	Closing balance of provision for impairment
		Additional investment	Reducing investment	Provision for impairment	Others		

Chengdu CSG Glass Co., Ltd.	151,397,763					151,397,763	
Sichuan CSG Energy Conservation	119,256,949					119,256,949	
Tianjin Energy Conservation Glass Co., Ltd.	247,833,327					247,833,327	
Dongguan CSG Architectural Glass Co., Ltd.	198,276,242					198,276,242	
Dongguan CSG Solar Glass Co., Ltd.	355,120,247					355,120,247	
Yichang CSG Polysilicon Co., Ltd.	640,856,170	269,104,000				909,960,170	
Wujiang CSG North-east Architectural Glass Co., Ltd.	254,401,190					254,401,190	
Hebei CSG Glass Co., Ltd.	266,189,705					266,189,705	
China Southern Glass (Hong Kong) Limited	87,767,304					87,767,304	
Wujiang CSG Glass Co., Ltd.	567,645,430					567,645,430	
Jiangyou CSG Mining Development Co., Ltd.	102,415,096					102,415,096	
Xianning CSG Glass Co., Ltd.	181,116,277					181,116,277	
Xianning CSG Energy Conservation Glass Co., Ltd.	165,452,035					165,452,035	
Qingyuan CSG Energy Saving New Materials Co.,Ltd.	885,273,105					885,273,105	
Shenzhen CSG Financial Leasing Co., Ltd.	133,500,000					133,500,000	
Shenzhen Nanbo Display Technology Co., Ltd.	550,765,474					550,765,474	
Zhaoqing CSG Energy-Saving Glass Co., Ltd.	150,000,000					150,000,000	
Zhaoqing CSG Automobile Glass Co., Ltd.	58,121,000	12,030,015				70,151,015	
Dongguan CSG PV-tech Co., Ltd.	382,112,183					382,112,183	
Anhui CSG New Energy Materials	455,000,000	255,000,000				710,000,000	
Anhui CSG New Quartz material	37,000,000	38,000,000				75,000,000	
Shenzhen CSG Medical	20,000,000					20,000,000	
Anhui CSG Silicon Valley Mingdu Co., Ltd.	3,000,000					3,000,000	
Xi'an CSG Energy Saving Co., Ltd.	1,000,000	21,150,000				22,150,000	
Guangxi CSG New Energy Materials	1,000,000	17,000,000				18,000,000	

Co., Ltd							
CSG (Suzhou) Enterprise Headquarters Management Co., Ltd	9,000,000	21,000,000				30,000,000	
Yichang CSG New Energy Materials Co., Ltd		1,000,000				1,000,000	
Hefei CSG Energy Saving Co., Ltd		3,000,000				3,000,000	
Others	238,892,197					238,892,197	15,000,000
Total	6,262,391,694	637,284,015				6,899,675,709	15,000,000

4. Operating income and operating costs

Unit: RMB

Item	Occurred in this term		Occurred in previous term	
	Income	Costs	Income	Costs
Main business	15,479,200	15,015,892		
Other business	214,719,212		42,342,857	
Total	230,198,412	15,015,892	42,342,857	

5. Investment income

Unit: RMB

Item	Occurred in this term	Occurred in previous term
Long-term equity investment accounted by cost method	648,961,128	715,020,699
Investment income of trading financial assets during the holding period	14,478,503	2,858,476
Fixed deposit income	1,935,192	596,467
Total	665,374,823	718,475,642

XVII. Supplementary Information

1. Items and amounts of extraordinary profit (gains)/loss

√Applicable Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	12,745,461	
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)	97,547,070	

In addition to the effective hedging business related to the normal operation of the company, gains and losses from changes in fair value arising from the holding of tradable financial assets and tradable financial liabilities, and the acquisition of tradable financial assets and available-for-sale financial assets from disposal of tradable financial assets investment income	16,413,695	
Reversal of impairment provision for receivables subject to independent impairment test	1,409,310	
Other non-operating income and expenditure except for the aforementioned items	11,472,908	
Less: Impact on income tax	23,294,919	
Impact on minority shareholders' equity (post-tax)	2,713,947	
Total	113,579,578	--

Details of other profit and loss items that meet the definition of non recurring profit and loss:

Applicable Not applicable

The Company has no specific circumstances of other profit and loss items that meet the definition of non-recurring profit and loss.

Explanation on defining the 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" as recurring profit and loss items

Applicable Not applicable

2. Return on net assets and earnings per share

Profit in the report period	The weighted average net assets ratio	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	8.61%	0.33	0.33
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	7.64%	0.29	0.29

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

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

Applicable Not applicable

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

Applicable Not applicable

(3)Explanation of the reasons for the difference of accounting data under the domestic and foreign accounting standards. If the data audited by the overseas audit institution is adjusted for the difference, the name of the overseas institution shall be indicated

Applicable Not applicable