

CSG HOLDING CO., LTD.

Financial Report of Semi-annual Report 2023

I. Report of the auditors

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 amounts in the tables in the Notes to the Financial Statements are expressed in RMB.

1. Consolidated balance sheet

Prepared by: CSG Holding Co., Ltd.

30 June 2023

Unit: RMB

Item	30 June 2023	1 January 2023
Current assets:		
Cash at bank and on hand	2,659,317,147	4,604,607,779
Notes receivable	731,429,485	156,943,437
Accounts receivable	1,618,049,955	1,179,992,784
Receivables Financing	830,989,703	1,095,412,643
Advances to suppliers	230,228,115	183,629,823
Other receivables	193,416,864	193,847,322
Inventories	2,118,417,593	1,783,941,982
Non-current assets due within one year	80,000,000	20,000,000
Other current assets	138,475,480	108,248,545
Total current assets	8,600,324,342	9,326,624,315
Non-current assets:		
Investment properties	290,368,105	290,368,105
Fixed assets	11,986,389,945	11,243,236,175
Construction in progress	2,622,639,485	2,520,362,291
Right-of-use assets	9,589,272	9,908,413
Intangible assets	2,395,648,014	1,438,102,666
Development expenditure	54,503,705	46,755,816
Goodwill	8,593,352	7,897,352
Long-term prepaid expenses	6,568,159	2,647,939
Deferred tax assets	166,489,256	161,489,749
Other non-current assets	1,125,121,631	856,620,485
Total non-current assets	18,665,910,924	16,577,388,991

Total assets	27,266,235,266	25,904,013,306
Current liabilities:		
Short-term borrowings	384,776,205	345,000,000
Notes payable	1,359,373,689	994,557,496
Accounts payable	3,024,632,655	2,033,542,627
Contract liabilities	342,662,579	418,051,975
Employee benefits payable	300,681,897	473,616,428
Taxes payable	150,987,570	161,134,638
Other payables	463,757,844	537,065,184
Including: interest payable	7,275,176	99,945,325
Current portion of non-current liabilities	1,008,414,500	2,481,433,006
Other current liabilities	89,468,648	50,407,240
Total current liabilities	7,124,755,587	7,494,808,594
Non-current liabilities:		
Long-term borrowings	5,228,900,581	4,353,589,980
Lease liabilities	3,648,983	3,564,330
Long-term payables	109,425,563	129,236,878
Provisions	7,569,501	
Deferred income	428,796,377	449,875,380
Deferred tax liabilities	92,060,465	97,266,841
Total non-current liabilities	5,870,401,470	5,033,533,409
Total liabilities	12,995,157,057	12,528,342,003
Shareholders' equity:		
Share capital	3,070,692,107	3,070,692,107
Capital surplus	596,997,085	596,997,085
Other comprehensive income	180,891,037	170,860,478
Special reserve	210,519	731,580
Surplus reserve	1,228,634,001	1,228,634,001
Undistributed profits	8,676,447,235	7,786,968,455
Total equity attributable to shareholders of parent company	13,753,871,984	12,854,883,706
Minority interests	517,206,225	520,787,597
Total shareholders' equity	14,271,078,209	13,375,671,303
Total liabilities and shareholders' equity	27,266,235,266	25,904,013,306

Legal representative: Chen Lin Principal in charge of accounting: Wang Wenxin Head of accounting department: Wang Wenxin

2. Balance sheet of the parent company

Prepared by: CSG Holding Co., Ltd.

30 June 2023

Unit: RMB

Item	30 June 2023	1 January 2023
Current assets:		
Cash at bank and on hand	1,523,830,141	2,598,503,883
Notes receivable	10,000,000	49,194,385
Accounts receivable	35,178,427	23,994,936
Receivables Financing	10,000,000	123,469,960
Advances to suppliers	1,295,479	1,571,283
Other receivables	2,749,872,404	2,369,431,782
Including: Dividends receivable	129,077,200	375,057,800
Non-current assets due within one year	80,000,000	20,000,000
Total current assets	4,410,176,451	5,186,166,229
Non-current assets:		
Long-term equity investments	8,837,769,867	7,838,487,027
Fixed assets	9,000,302	7,876,626
Intangible assets	7,429,274	5,946,174
Long-term prepaid expenses	570,915	189,806
Other non-current assets	4,291,162	83,297,124
Total non-current assets	8,859,061,520	7,935,796,757
TOTAL ASSETS	13,269,237,971	13,121,962,986
Current liabilities:		
Short-term borrowings	100,000,000	200,000,000
Notes payable	217,090,273	19,496,400
Accounts payable	816,708	661,058
Contract liabilities	669	3,097
Employee benefits payable	20,410,807	63,906,834
Taxes payable	4,674,019	15,374,554
Other payables	1,996,303,479	2,126,409,980
Including: interest payable	1,712,638	95,445,534
Current portion of non-current liabilities	645,586,000	2,332,402,522
Other current liabilities	87	403
Total current liabilities	2,984,882,042	4,758,254,848
Non-current liabilities:		
Long-term borrowings	1,412,091,000	1,231,134,000
Deferred income	171,937,500	172,125,000
Total non-current liabilities	1,584,028,500	1,403,259,000
Total liabilities	4,568,910,542	6,161,513,848
Shareholders' equity:		
Share capital	3,070,692,107	3,070,692,107

Capital surplus	741,824,399	741,824,399
Surplus reserve	1,243,179,361	1,243,179,361
Undistributed profits	3,644,631,562	1,904,753,271
Total shareholders' equity	8,700,327,429	6,960,449,138
Total liabilities and shareholders' equity	13,269,237,971	13,121,962,986

Legal representative: Chen Lin Principal in charge of accounting: Wang Wenxin Head of accounting department: Wang Wenxin

3. Consolidated income statement

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

Item	H1 2023	H1 2022
I. Total business income	8,389,340,245	6,519,216,676
Including: operating income	8,389,340,245	6,519,216,676
II. Total operating costs	7,477,912,994	5,480,144,295
Including: operating costs	6,495,395,931	4,637,645,927
Taxes and surcharges	76,379,004	61,280,622
Selling and distribution expenses	146,856,141	133,906,652
General and administrative expenses	340,252,772	318,635,812
Research and development expenses	346,264,501	265,877,930
Financial expenses	72,764,645	62,797,352
Including: interest expenses	113,306,203	91,984,604
Interest income	45,500,449	30,756,704
Add: Other Income	47,203,839	99,302,552
Investment income (Loss is listed with "-")	-4,083,180	16,413,695
Credit impairment loss (Loss is listed with "-")	-7,601,224	-1,492,222
Asset impairment loss (Loss is listed with "-")	24,908	1,456
Income on disposal assets (Loss is listed with "-")	53,451	12,745,461
III. Operating profit (Loss is listed with "-")	947,025,045	1,166,043,323
Add: Non-operating revenue	9,453,333	15,132,978
Less: Non-operating expenses	486,800	3,660,070
IV. Total profit (Loss is listed with "-")	955,991,578	1,177,516,231
Less: Income tax expenses	74,094,170	168,925,524
V. Net profit (Net loss is listed with "-")	881,897,408	1,008,590,707
(1) Classified by continuous operation:		
1. Net income from continuing operations (Net loss is listed with "-")	881,897,408	1,008,590,707
2. Net income from discontinued operations (Net loss is listed with "-")		
(2) Classified by equity ownership:		
1. Attributable to shareholders of parent company	889,478,780	1,001,174,398
2. Minority interests	-7,581,372	7,416,309
VI. Other comprehensive income net after tax	10,030,559	6,167,540

Other comprehensive income net after tax attributable to shareholders of parent company	10,030,559	6,167,540
(1) Other comprehensive income not to be reclassified into profit and loss		
(2) Other comprehensive income to be reclassified into profit and loss	10,030,559	6,167,540
1. Translation differences arising on translation of foreign currency financial statement	10,030,559	6,167,540
Other comprehensive income net after tax attributable to minority interests		
VII. Total comprehensive income	891,927,967	1,014,758,247
Total comprehensive income attributable to shareholders of the parent company	899,509,339	1,007,341,938
Total comprehensive income attributable to minority shareholders	-7,581,372	7,416,309
minority interests		
VIII. Earnings per share		
(1) Basic earnings per share	0.29	0.33
(2) Diluted earnings per share	0.29	0.33

Legal representative: Chen Lin Principal in charge of accounting: Wang Wenxin Head of accounting department: Wang Wenxin

4. Income statement of the parent company

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

Item	H1 2023	H1 2022
I. Operating income	219,825,718	230,198,412
Less: operating costs		15,015,892
Taxes and surcharges	1,405,865	1,508,969
Selling and distribution expenses	10,326,349	1,500,585
General and administrative expenses	137,413,753	158,605,939
Research and development expenses	290,120	
Financial expenses	15,872,574	54,002,083
Including: interest expenses	61,444,973	84,259,999
Interest income	41,530,076	28,380,771
Add: Other Income	3,002,974	5,677,313
Investment income (Loss is listed with "-")	1,682,067,333	665,374,823
Credit impairment loss (Loss is listed with "-")	459,771	-85,084
Asset impairment loss (Loss is listed with "-")		
Income on disposal assets (Loss is listed with "-")		2,477,876
II. Operating profit (Loss is listed with "-")	1,740,047,135	673,009,872
Add: Non-operating revenue	1,770	
Less: Non-operating expenses	170,614	1,459,583
III. Total profit (Loss is listed with "-")	1,739,878,291	671,550,289
Less: Income tax expenses		

IV. Net profit (Net loss is listed with “-”)	1,739,878,291	671,550,289
(1) Net income from continuing operations (Net loss is listed with “-”)	1,739,878,291	671,550,289
(2) Net income from discontinued operations(Net loss is listed with “-”)		
V. Other comprehensive income net after tax		
VI. Total comprehensive income	1,739,878,291	671,550,289
VII. Earnings per share		

Legal representative: Chen Lin Principal in charge of accounting: Wang Wenxin Head of accounting department: Wang Wenxin

5. Consolidated statement of cash flows

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

Item	H1 2023	H1 2022
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	8,167,102,471	6,933,269,669
Refund of taxes and surcharges	129,649,279	209,272,049
Cash received relating to other operating activities	235,147,053	87,236,568
Sub-total of cash inflows from operating activities	8,531,898,803	7,229,778,286
Cash paid for goods and services	6,164,275,159	4,720,858,626
Cash paid to and on behalf of employees	1,161,324,786	967,549,535
Payments of taxes and surcharges	481,706,537	434,697,790
Cash paid relating to other operating activities	206,165,136	203,869,214
Sub-total of cash outflows from operating activities	8,013,471,618	6,326,975,165
Net cash flows from/(used in) operating activities	518,427,185	902,803,121
II. Cash flows from investing activities:		
Cash received from returns on investments	20,000,000	1,988,760,000
Cash received from returns on invest income	775,676	15,609,996
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	176,747	13,563,172
Cash received relating to other investing activities	32,629,490	
Sub-total of cash inflows from operating activities	53,581,913	2,017,933,168
Cash paid to acquire fixed assets, intangible assets and other long-term asset	1,714,949,765	1,632,778,700
Cash paid to acquire investments	20,000,000	2,198,160,000
Net cash paid to acquire subsidiaries and other business units	696,000	
Cash paid relating to other investing activities		19,138,102
Sub-total of cash outflows from operating activities	1,735,645,765	3,850,076,802
Net cash flows (used in)/from investing activities	-1,682,063,852	-1,832,143,634
III. Cash flows from financing activities:		
Cash received from investors	4,000,000	
Including: Cash received from absorbing minority shareholders’ investment by subsidiaries	4,000,000	
Cash received from borrowings	1,792,403,638	2,277,155,766

Cash received relating to other financing activities	12,000,000	206,753
Sub-total of cash inflows from operating activities	1,808,403,638	2,277,362,519
Cash repayments of borrowings	2,351,598,051	428,340,521
Cash payments for interest expenses and distribution of dividends or profits	227,681,798	791,223,957
Cash payments relating to other financing activities	23,054,274	24,165,012
Sub-total of cash outflows from operating activities	2,602,334,123	1,243,729,490
Net cash flows (used in)/from financing activities	-793,930,485	1,033,633,029
IV. Effect of foreign exchange rate changes on cash	2,809,041	3,195,681
V. Net increase/(decrease) in cash and cash equivalents	-1,954,758,111	107,488,197
Add: Cash and cash equivalents at beginning of period	4,594,018,251	2,756,477,572
VI. Cash and cash equivalents at end of period	2,639,260,140	2,863,965,769

Legal representative: Chen Lin Principal in charge of accounting: Wang Wenxin Head of accounting department: Wang Wenxin

6. Statement of cash flows of the parent company

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

Item	H1 2023	H1 2022
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	346,331,261	191,082,575
Cash received relating to other operating activities	207,913,289	39,349,241
Sub-total of cash inflows from operating activities	554,244,550	230,431,816
Cash paid for goods and services	59,456,484	
Cash paid to and on behalf of employees	182,805,295	179,110,652
Payments of taxes and surcharges	22,354,669	7,463,566
Cash paid relating to other operating activities	17,475,295	16,953,909
Sub-total of cash outflows	282,091,743	203,528,127
Net cash flows from/(used in) operating activities	272,152,807	26,903,689
II. Cash flows from investing activities:		
Cash received from returns on investments	20,000,000	1,988,760,000
Cash received from returns on invest income	1,931,308,828	664,571,124
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,000	2,477,876
Sub-total of cash inflows	1,951,310,828	2,655,809,000
Cash paid to acquire fixed assets, intangible assets and other long-term assets	5,775,984	3,611,833
Cash paid to acquire investments	999,282,840	2,835,444,015
Sub-total of cash outflows	1,005,058,824	2,839,055,848
Net cash flows (used in)/from investing activities	946,252,004	-183,246,848
III. Cash flows from financing activities:		
Cash received from borrowings	610,000,000	900,000,000
Cash received relating to other financing activities		379,666,653
Sub-total of cash inflows	610,000,000	1,279,666,653
Cash repayments of borrowings	2,216,543,000	310,000,000
Cash payments for interest expenses and distribution of dividends or profits	154,494,391	756,638,060
Cash paid relating to other financing activities	532,071,876	1,017,256
Sub-total of cash outflows	2,903,109,267	1,067,655,316
Net cash flows (used in)/from financing activities	-2,293,109,267	212,011,337
IV. Effect of foreign exchange rate changes on cash	18,222	1,808,472
V. Net increase/(decrease) in cash and cash equivalents	-1,074,686,234	57,476,650
Add: Cash and cash equivalents at beginning of period	2,595,003,883	1,960,395,527
VI. Cash and cash equivalents at end of period	1,520,317,649	2,017,872,177

Legal representative: Chen Lin Principal in charge of accounting: Wang Wenxin Head of accounting department: Wang Wenxin

7. Consolidated statement of changes in owner's equity

Prepared by: CSG Holding Co., Ltd.

H1 2023

Unit: RMB

Item	H1 2023								
	Equity attributable to shareholders of parent company							Minority interests	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Sub-total		
I. Balance at the end of the last year	3,070,692,107	596,997,085	170,860,478	731,580	1,228,634,001	7,786,968,455	12,854,883,706	520,787,597	13,375,671,303
II. Balance at the beginning of the period	3,070,692,107	596,997,085	170,860,478	731,580	1,228,634,001	7,786,968,455	12,854,883,706	520,787,597	13,375,671,303
III. Movements for the period (Decrease is listed with “-”)			10,030,559	-521,061		889,478,780	898,988,278	-3,581,372	895,406,906
(1) Total comprehensive income			10,030,559			889,478,780	899,509,339	-7,581,372	891,927,967
(2) Capital increase or decrease from shareholder								4,000,000	4,000,000
1. Ordinary shares contributed by the owner								4,000,000	4,000,000
(3) Profit distribution									
(4) Internal carry-forward of owners' equity									
(5) Special reserve				-521,061			-521,061		-521,061
1. Special reserve appropriate				5,038,984			5,038,984		5,038,984
2. Special reserve used				5,560,045			5,560,045		5,560,045
(6) Others									
IV. Balance at the end of the period	3,070,692,107	596,997,085	180,891,037	210,519	1,228,634,001	8,676,447,235	13,753,871,984	517,206,225	14,271,078,209

7. Consolidated statement of changes in owner's equity (Continued)

Prepared by: CSG Holding Co., Ltd.
H1 2022

Unit: RMB

Item	H1 2022								
	Equity attributable to shareholders of parent company							Minority interests	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Sub-total		
I. Balance at the end of the last 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 the period	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. Movements for the period (Decrease is listed with “-”)			6,167,540	-5,443,694		387,035,977	387,759,823	7,416,309	395,176,132
(1) Total comprehensive income			6,167,540			1,001,174,398	1,007,341,938	7,416,309	1,014,758,247
(2) Capital increase or decrease from shareholder									
(3) Profit distribution						-614,138,421	-614,138,421		-614,138,421
1. Distributed to owners (or shareholders)						-614,138,421	-614,138,421		-614,138,421
(4) Internal carry-forward of owners' equity									
(5) Special reserve				-5,443,694			-5,443,694		-5,443,694
1. Special reserve appropriate				4,853,948			4,853,948		4,853,948
2. Special reserve used				10,297,642			10,297,642		10,297,642
(5) 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

Legal representative: Chen Lin

Principal in charge of accounting: Wang Wenxin

Head of accounting department: Wang Wenxin

8. Statement of changes in owners' equity of the parent company

Prepared by: CSG Holding Co., Ltd.

H1 2023

Unit: RMB

Item	H1 2023				
	Share capital	Capital surplus	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at the end of the last year	3,070,692,107	741,824,399	1,243,179,361	1,904,753,271	6,960,449,138
II. Balance at the beginning of the period	3,070,692,107	741,824,399	1,243,179,361	1,904,753,271	6,960,449,138
III. Movements for the period (Decrease is listed with "-")				1,739,878,291	1,739,878,291
(1) Total comprehensive income				1,739,878,291	1,739,878,291
(2) Capital increase or decrease from shareholder					
(3) Profit distribution					
(4) Internal carry-forward of owners' equity					
(5) Special reserve					
(6) Others					
IV. Balance at the end of the period	3,070,692,107	741,824,399	1,243,179,361	3,644,631,562	8,700,327,429

8. Statement of changes in owners' equity of the parent company (Continued)

Prepared by: CSG Holding Co., Ltd.

H1 2022

Unit: RMB

Item	H1 2022				
	Share capital	Capital surplus	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at the end of the last 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 the period	3,070,692,107	741,824,399	1,159,432,870	1,765,173,270	6,737,122,646
III. Movements for the period (Decrease is listed with "-")				57,411,868	57,411,868
(1) Total comprehensive income				671,550,289	671,550,289
(2) Capital increase or decrease from shareholder					
(3) Profit distribution				-614,138,421	-614,138,421
1. Distributed to owners (or shareholders)				-614,138,421	-614,138,421
(4) Internal carry-forward of owners' equity					
(5) Special reserve					
(6) 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

Legal representative: Chen Lin

Principal in charge of accounting: Wang Wenxin

Head of accounting department: Wang Wenxin

III、GENERAL INFORMATION

CSG Holding Co., Ltd. (the “Company”) was incorporated in September 1984, known as China South Glass Company, as a joint venture enterprise by Hong Kong China Merchants Shipping Co.,LTD (香港招商局轮船股份有限公司), Shenzhen Building Materials Industry Corporation (深圳建筑材料工业集团公司), China North Industries Corporation (中国北方工业深圳公司) and Guangdong International Trust and Investment Corporation (广东国际信托投资公司). The Company was registered in Shenzhen, Guangdong Province of the People's Republic of China and its headquarters is located in Shenzhen, Guangdong Province of the People's Republic of China. The Company issued RMB-denominated ordinary shares (“A-share”) and foreign shares (“B-share”) publicly in October 1991 and January 1992 respectively, and was listed on Shenzhen Stock Exchange on February 1992. As at 30 June 2023, the registered capital was RMB3,070,692,107, with nominal value of RMB1 per share.

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

The financial statements were authorised for issue by the Board of Directors on 25 August 2023.

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

IV、BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1、Basis of preparation of financial statements

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

The present financial report has been prepared on the basis of going concern assumptions.

V、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.

Please see 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 six months ended 30 June 2023 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the consolidated and the Company as at 30 June 2023 and their financial performance, cash flows for the six months then ended.

2、Accounting year

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

3、Operating cycle

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

4、Recording currency

The recording currency is Renminbi (RMB).

5、Accounting treatment of business combinations under the common control and under non- common control

(a) Business combinations involving enterprises under common control

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

(b) Business combinations involving enterprises under non-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、Methodology for the preparation of consolidated financial statement

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、Standards 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、Foreign currency transactions and translation of foreign currency statement

(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 or other comprehensive income for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(b) Translation of foreign currency financial statements

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the shareholders' equity items, the items other than "undistributed profits" are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statements of overseas operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are presented separately in other comprehensive income items 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 include cash at bank and on hand, accounts receivable, other receivables, debt investments and long-term receivables. The Group presents debt investments and long-term receivables maturing within one year (inclusive) from the balance sheet date as non-current assets maturing within one year; Debt investments with a maturity of one year (inclusive) at the time of acquisition are listed as other 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:

Class	Item	Method
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
Receivables Financing Portfolio 1	Bank acceptance Notes	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 recognised at the amount equal to the lower of the fair value less costs to sell and book value. The difference between fair value less costs to sell and carrying amount, should be presented as impairment loss.

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

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

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

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 and initial measurement

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

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

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

(2) Depreciation methods

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

Type	Depreciation methods	Estimated useful lives	Estimated net residual value	Annual depreciation rate
Buildings	The life average method	20 to 35 years	5%	2.71% to 4.75%
Machinery and equipment	The life average method	8 to 20 years	5%	4.75% to 11.88%
Transportation and others	The life average method	5 to 8 years	0%	12.50% to 20%

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

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.

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

For the specific borrowings obtained for the acquisition or construction of an asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by deducting any interest income earned from depositing the unused

specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

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

17、 Intangible assets

(1) Valuation method, service life, 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 recognised as fixed assets.

(b) Patents and proprietary technologies

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

(c) Exploitation rights

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

(d) Periodical review of useful life and amortisation method

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

(e) Impairment of intangible assets

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

(2) Internal Research and development expenditure accounting policy

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

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

the development of manufacturing technique has been fully demonstrated by technical team;
management has approved the budget for the development of manufacturing technique;
there are research and analysis of pre-market research explaining that products manufactured with such technique are capable of marketing;

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

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

18、 Impairment of long-term assets

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

Goodwill that 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 book value, the corresponding impairment loss is recognised. The impairment loss is first deducted from book value of goodwill that is allocated to the asset group or group of asset groups, and then deducted from book values of other assets within the asset groups or groups of asset groups in proportion to book values of assets other than goodwill.

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

19、 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) Short-term employee benefits

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

(2) 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 recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(4) Termination benefits

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

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

21、Provisions

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

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

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

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

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

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

If the non-market conditions and term of service are not met so that share-based payment fail to exercise, the costs and expenses on this portion should not be recognized. If the share-based payment agreement sets out the market conditions and term of non-vesting, as long as performance conditions and term of service are met, it should be 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 confirmed to replace the old equity instrument which is canceled in the authorization date of the new equity instrument, the new equity instrument should be disposed by using the same conditions and terms of the old equity instrument for modifications.

23、 Revenue

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

a. Sales of goods

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

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

b. Rendering of services

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

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

24、 Government grants

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

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

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

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

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

25、Deferred tax assets and deferred tax liabilities

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

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

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

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

Deferred income tax assets and deferred income tax liabilities are related to the same tax payer within the Group and the same taxation authority; and

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

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 lease liabilities paid within one year (inclusive) from the balance sheet date as non-current liabilities due within one year

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

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

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

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

(d) The useful life of fixed assets

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

(e) Goodwill impairment

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

28、 Significant changes in accounting policies and accounting estimates

(1) Significant changes in accounting policies

Applicable Not applicable

Contents and reasons of changes in accounting estimates	Approval procedure	Remark
On 30 November 2022, the Ministry of Finance issued "Interpretation No. 16 of the Accounting Standards for Business Enterprises" (Finance and Accounting [2021] No. 31) (hereinafter referred to as "Interpretation No. 16"), which regulates the accounting treatment for the income tax impact of dividends related to financial instruments classified as equity instruments by the issuer and the accounting treatment for the modification of cash settled share-based payments to equity settled share-based payments by enterprises shall be implemented from the date of promulgation; The accounting treatment for deferred income tax related to assets and liabilities arising from individual transactions that are not exempt from initial recognition will be implemented from 1 January 2023.	It was reviewed and approved the "Proposal on Changes in Accounting Policies" by the board of directors on 24 April 2023.	The adoption of Interpretation No. 16 did not have a significant impact on the financial condition and operating results of the Company.

(2) Significant changes in accounting estimates

Applicable Not applicable

(3) Adjustments to the opening financial statement items in 2023 when a new accounting standard is first adopted

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) 4.5% for revenue below RMB10 million (inclusive) of the year;

- (b) 2.25% for the revenue between RMB10 million to RMB100 million (inclusive) of the year;
(c) 0.55% 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 recognised. 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: (1) the component is able to earn revenue and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

VI、TAXATION

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

Category	Taxable basis	Tax rate
Enterprise income tax	Taxable income	0%-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)	3%-13%
City maintenance and construction tax	VAT paid	1%-7%
Educational surcharge	VAT paid	5%

2、Tax incentives

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

Tianjin CSG Energy-Saving Glass Co., Ltd. ("Tianjin Energy Conservation") passed review on a high and new tech enterprise in 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 2022 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 2022.

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. As the company is currently going through the 2023 review of its high-tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

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. As the company is currently going through the 2023 review of its high-tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

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. As the company is currently going through the 2023 review of its high-tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

Dongguan CSG PV-tech Co., Ltd. (“Dongguan CSG PV-tech”) passed review on a high and new tech enterprise in 2022 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 2022.

Hebei Shichuang Glass Co., Ltd. (“Hebei Shichuang”) passed review on a high and new tech enterprise in 2022 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 2022.

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. As the company is currently going through the 2023 review of its high-tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

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. As the company is currently going through the 2023 review of its high-tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

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 2022, 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 2022.

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 2022 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 2022.

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.

Zhaoqing CSG Energy Saving Glass Co., Ltd. (hereinafter referred to as “Zhaoqing Energy Saving Company”) passed review on a high and new tech enterprise in 2022 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 2022.

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.

Xi'an CSG Energy Saving Glass Technology Co., Ltd. (hereinafter referred to as “Xi'an Energy Saving 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.

Guangxi CSG New Energy Materials Technology Co., Ltd. (hereinafter referred to as “Guangxi 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.

Qinghai CSG Risheng New Energy Technology Co., Ltd. (hereinafter referred to as "Qinghai New Energy 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. (hereinafter referred to as "Zhaoqing New Energy Company"), Anhui CSG Photovoltaic Energy Co., Ltd. ("Anhui PV Energy"), Xianning CSG PV Energy Co., Ltd. ("Xianning PV Energy"), and 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	30 June 2023	1 January 2023
Cash at bank	2,391,660,140	3,242,318,251
Other currency funds	267,657,007	1,362,289,528
Total	2,659,317,147	4,604,607,779
Including: Total overseas deposits	37,863,509	52,079,105
The total amount of cash and cash equivalents that are restricted to use due to mortgage, pledge or freezing etc.	20,057,007	10,589,528

2、Notes receivable

(1) Notes receivable listed by category

Unit: RMB

Item	30 June 2023	1 January 2023
Bank acceptance	722,005,152	156,943,437
Trade acceptance	9,424,333	
Total	731,429,485	156,943,437

Unit: RMB

Category	30 June 2023					1 January 2023				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	

Credit loss provision accrued by item										
Credit loss provision accrued by portfolio	731,429,485	100%			731,429,485	156,943,437	100%			156,943,437
Total	731,429,485	100%			731,429,485	156,943,437	100%			156,943,437

(2) Notes receivables that the Company has pledged at the end of the period

Unit: RMB

Item	Pledged amount
Bank acceptance	701,846,825
Total	701,846,825

(3) Endorsed or discounted notes receivable have not yet matured on the balance sheet

None

(4) Notes transferred to accounts receivable due to default of the issue at the end of period

None

3、Accounts receivable

(1) Details on categories

Unit: RMB

Category	30 June 2023					1 January 2023				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision Proportion		Amount	Proportion	Amount	Provision Proportion	
Separate provision for bad debts	190,449,756	11%	155,613,729	82%	34,836,027	196,468,864	14%	157,019,809	80%	39,449,055
Portfolio provision for bad debts	1,615,517,932	89%	32,304,004	2%	1,583,213,928	1,163,820,132	86%	23,276,403	2%	1,140,543,729
Total	1,805,967,688	100%	187,917,733	10%	1,618,049,955	1,360,288,996	100%	180,296,212	13%	1,179,992,784

Provision for bad debts made on an individual basis:

Unit: RMB

Name	30 June 2023			
	Carrying amount	Provision for bad debts	Provision Proportion	Reason for provision
Separate provision for bad debts	190,449,756	155,613,729	82%	Mainly due to the inability to honor commercial acceptance bills issued by Evergrande and its subsidiaries that have been endorsed by customers, and the transfer of accounts receivable from bills receivable, as well as partial or full provision for bad debt reserves due to business disputes or deterioration of customer operations.
Total	190,449,756	155,613,729	82%	

Provision for bad debts made on the basis of portfolio:

Unit: RMB

Type(s)	30 June 2023		
	Carrying amount	Provision for bad debts	Proportion (%)
Portfolio 1	1,615,517,932	32,304,004	2%
Total	1,615,517,932	32,304,004	2%

Disclosure by ages

Unit: RMB

Aging	30 June 2023
Within 1 year(including 1 year)	1,519,933,746
1 to 2 years	68,361,980
2 to 3 years	154,358,206
Over 3 years	63,313,756
Total	1,805,967,688

(2) Provisions made, collected or reversed in current period

Provision for bad debts made in current period:

Unit: RMB

Type(s)	1 January 2023	Amount of change in current period				30 June 2023
		Accrual	Recovery or reversal	Write-off	Other	
Provision for bad debts for accounts receivable	180,296,212	21,722,891	14,101,370			187,917,733
Total	180,296,212	21,722,891	14,101,370			187,917,733

(3) Accounts receivable details of the top 5 closing balances by debtors

Unit: RMB

Name	Accounts receivable closing balance	Percentage in total accounts receivable balance	Provision for bad debts closing balance
Total balances for the five largest	610,509,283	34%	12,210,186

accounts receivable			
Total	610,509,283	34%	12,210,186

4、Receivables Financing

Unit: RMB

Item	30 June 2023	1 January 2023
Bank acceptance	830,989,703	1,095,412,643
Total	830,989,703	1,095,412,643

5、Advances to suppliers

(1) Listing by ages

Unit: RMB

Aging	30 June 2023		1 January 2023	
	Amount	Proportion	Amount	Proportion
Within 1 year (including 1 year)	210,648,897	92%	182,578,314	100%
1 to 2 years	19,050,500	8%	377,211	
2 to 3 years	8,220		153,800	
Over 3 years	520,498		520,498	
Total	230,228,115	100%	183,629,823	100%

(2) Advance payment of the top 5 closing balances by prepayment objects

Unit: RMB

Item	Advance payment closing balance	Percentage in total advances to suppliers balance
Total balances for the five largest advances to suppliers	122,624,311	53%

6、Other receivables

Unit: RMB

Item	30 June 2023	1 January 2023
Other receivables	193,416,864	193,847,322
Total	193,416,864	193,847,322

(1) Other receivables

1) Other receivables categorized by nature

Unit: RMB

Nature	30 June 2023	1 January 2023
Receivables from special fund for talent	171,000,000	171,000,000
Payments made on behalf of other parties	40,075,441	49,075,321
Advances to suppliers	10,366,164	10,366,164

Refundable deposits	22,677,268	16,456,690
Petty cash	1,981,083	963,222
Others	13,402,205	12,091,519
Total	259,502,161	259,952,916

2) Provision for bad debts

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss for the whole period (no credit impairment)	Expected credit loss for the whole period (with credit impairment)	
Amount on 1 January 2023	1,331,355		64,774,239	66,105,594
Carrying amount on 1 January 2023 that in this period:				
Provision for the period	205,339			205,339
Reverse for the period	225,636			225,636
Amount on 30 June 2023	1,311,058		64,774,239	66,085,297

3) Disclosure by ages

Unit: RMB

Aging	30 June 2023
Within 1 year (including 1 year)	24,822,358
1 to 2 years	27,937,872
2 to 3 years	6,852,372
Over 3 years	199,889,559
3 to 4 years	811,012
4 to 5 years	2,369,390
Over 5 years	196,709,157
Total	259,502,161

4) Provisions made, collected or reversed in current period

Provision for bad debts made in current period:

Unit: RMB

Type	1 January 2023	Movement in current period				30 June 2023
		Accrual	Withdrawal or reversal	Write-off	Others	
Bad debt provision	66,105,594	205,339	225,636			66,085,297
Total	66,105,594	205,339	225,636			66,085,297

5) Other receivables details of the top 5 closing balances by debtors

Unit: RMB

Name	Nature of business	30 June 2023	Ageing	Percentage in total other receivables balance	Provision for bad debts
Company A	Independent third party	171,000,000	Over 5 years	66%	51,300,000
Governmental department B	Independent third party	14,000,000	1 to 2 years	5%	280,000
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	1 to 2 years	4%	200,000
Total		216,922,168		83%	62,377,284

7、Inventories

(1) Inventory classification

Unit: RMB

Item	30 June 2023			1 January 2023		
	Carrying amount	Provision for decline in the value of inventories or provision for impairment of contractual performance costs	Book value	Carrying amount	Provision for decline in the value of inventories or provision for impairment of contractual performance costs	Book value
Raw materials	578,404,128	957,713	577,446,415	646,622,778	9,065,792	637,556,986
Work in progress	32,852,655		32,852,655	31,745,770		31,745,770
Finished goods	1,425,442,033	1,456,266	1,423,985,767	1,067,004,894	20,645,880	1,046,359,014
Turnover materials	84,292,770	160,014	84,132,756	68,702,610	422,398	68,280,212
Total	2,120,991,586	2,573,993	2,118,417,593	1,814,076,052	30,134,070	1,783,941,982

(2) Provision for inventories and provision for impairment of contractual performance costs

Unit: RMB

Item	1 January 2023	Increase in current period		Decrease in current period		30 June 2023
		Provision	Others	Reversal or write-off	Others	
Raw materials	9,065,792			8,108,079		957,713
Finished goods	20,645,880			19,189,614		1,456,266

Turnover materials	422,398			262,384		160,014
Total	30,134,070			27,560,077		2,573,993

8、Non-current assets due within one year

Unit: RMB

Item	30 June 2023	1 January 2023
Fixed-term deposit in bank due within one year	80,000,000	20,000,000
Total	80,000,000	20,000,000

9、Other current assets

Unit: RMB

Item	30 June 2023	1 January 2023
VAT to be offset	72,654,028	45,198,116
Enterprise income tax prepaid	31,825,260	30,407,477
VAT input to be recognised	13,992,098	32,642,483
Term deposits	20,000,000	
Others	4,094	469
Total	138,475,480	108,248,545

10、Investment properties

(1) Investment properties measured using the fair value model

Applicable Not applicable

Unit: RMB

Item	House, building and related land use rights
I. 1 January 2023	290,368,105
II. Movement in the current period	
III. 30 June 2023	290,368,105

11、Fixed assets

Unit: RMB

Item	30 June 2023	1 January 2023
Fixed assets	11,986,389,945	11,243,236,175
Total	11,986,389,945	11,243,236,175

(1) List of fixed assets

Unit: RMB

Item	Buildings	Machinery and equipment	Motor vehicles and others	Total
I. Original book value:				

1. 1 January 2023	5,305,705,728	14,283,099,277	294,024,553	19,882,829,558
2. Increase in current period	593,737,978	1,508,241,039	48,088,269	2,150,067,286
(1) Acquisition	1,317,463	23,933,500	12,350,297	37,601,260
(2) Transfers from construction in progress	591,204,701	1,478,778,979	30,882,596	2,100,866,276
(3) Others	1,215,814	5,528,560	4,855,376	11,599,750
3. Decrease in current period	43,697,038	1,081,830,604	7,402,047	1,132,929,689
(1) Disposal or retirement		7,692,659	5,339,946	13,032,605
(2) Transfer to construction in progress	42,521,910	1,063,743,559	769,912	1,107,035,381
(3) Others	1,175,128	10,394,386	1,292,189	12,861,703
4. 30 June 2023	5,855,746,668	14,709,509,712	334,710,775	20,899,967,155
II. Accumulative depreciation				
1. 1 January 2023	1,214,780,507	5,985,207,126	245,329,297	7,445,316,930
2. Increase in current period	93,408,343	439,528,151	20,332,786	553,269,280
(1) Provision	93,232,275	439,498,494	17,423,856	550,154,625
(2) Others	176,068	29,657	2,908,930	3,114,655
3. Decrease in current period		241,327,850	5,693,504	247,021,354
(1) Disposal or retirement		6,955,109	5,333,702	12,288,811
(2) Transfer to construction in progress		230,549,231	70,354	230,619,585
(3) Others		3,823,510	289,448	4,112,958
4. 30 June 2023	1,308,188,850	6,183,407,427	259,968,579	7,751,564,856
III. Impairment provision				
1. 1 January 2023	152,839,987	1,040,644,542	791,924	1,194,276,453
2. Increase in current period		67,111,087	178,678	67,289,765
(1) Provision				
(2) Transfers from construction in progress		67,111,087	178,678	67,289,765
3. Decrease in current period	42,521,910	57,031,954		99,553,864
(1) Disposal or retirement		481,306		481,306
(2) Transfer to construction in progress	42,521,910	56,550,648		99,072,558
4. 30 June 2023	110,318,077	1,050,723,675	970,602	1,162,012,354
IV. Book value				
1. 30 June 2023	4,437,239,741	7,475,378,610	73,771,594	11,986,389,945
2. 1 January 2023	3,938,085,234	7,257,247,609	47,903,332	11,243,236,175

(2) Fixed assets without ownership certificate

Unit: RMB

Item	Carrying amount	Reasons for not yet obtaining certificates of title
Buildings	1,816,139,589	Have submitted the required documents and are in the process of application, or

		the related land use right certificate pending
--	--	--

12、Construction in progress

Unit: RMB

Item	30 June 2023	1 January 2023
Construction in progress	2,622,639,485	2,520,362,291
Total	2,622,639,485	2,520,362,291

(1) Details of construction in progress

Unit: RMB

Item	30 June 2023			1 January 2023		
	Carrying amount	Provision for impairment loss	Book value	Carrying amount	Provision for impairment loss	Book value
Anhui Fengyang Solar Equipment Lightweight High Tongue Plate Manufacturing Base Project	522,882,011		522,882,011	917,798,737		917,798,737
Xianning Nanblax 1200T / D Ton Photovoltaic Packaging Material Production Line Project	1,347,042		1,347,042	721,820,302		721,820,302
Hebei window ultra-thin electronic glass second line construction project	263,216,331		263,216,331	256,034,845		256,034,845
Qingyuan South Blass Technology Reform Project	226,614,841	94,897,536	131,717,305	225,748,578	94,897,536	130,851,042
450MWPERC Battery Technology Upgrade Project	186,866,743	184,998,076	1,868,667	186,866,743	184,998,076	1,868,667
Wujiang Project New Engineering Glass Intelligent Manufacturing Factory Construction Project	73,902,384		73,902,384	72,885,336		72,885,336
Xi'an South Glass Energy Saving Glass Production Line Project	138,277,411		138,277,411	41,694,021		41,694,021
Zhaoqing CSG high-end automobile glass production line project	77,092,563		77,092,563	40,439,362		40,439,362
Guangxi Beihai Photovoltaic Green Energy Industry Park (Phase I) Project	199,123,173		199,123,173	33,213,753		33,213,753

Item	30 June 2023			1 January 2023		
	Carrying amount	Provision for impairment loss	Book value	Carrying amount	Provision for impairment loss	Book value
Zhaoqing CSG high-end energy-saving glass production line project	5,110,114		5,110,114	14,799,352		14,799,352
New 50000 ton/year high-purity crystalline silicon project in Haixi Prefecture, Qinghai Province	210,126,656		210,126,656	10,319,009		10,319,009
Chengdu Float three sets of flue gas treatment backup environmental protection facilities construction project	13,805,346		13,805,346	608,993		608,993
Technological upgrading project of Xianning Float Line 2 (700t/d)	53,110,650		53,110,650			
Yichang Polysilicon 1,200t/month high-purity crystalline silicon technology reform project	833,856,781	94,291,477	739,565,304	152,254		152,254
Dongguan Solar G6/G7 Line Process and Equipment Upgrading and Renovation Project				37,794,114		37,794,114
Others	196,275,610	4,781,082	191,494,528	307,372,271	67,289,767	240,082,504
Total	3,001,607,656	378,968,171	2,622,639,485	2,867,547,670	347,185,379	2,520,362,291

(2) Movement of significant projects of construction in progress

Unit: RMB

Project name	Budget	1 January 2023	Increase in current period	Transfer to fixed assets in current period	Other decreases in current period	30 June 2023	Proportion between engineering input and budget	Engineering progress	Amount of borrowing costs capitalised	Including: Amount of borrowing costs capitalised in current period	Capitalisation rate for current period	Source of fund
Anhui Fengyang Solar Equipment Lightweight High Tongue Plate Manufacturing Base Project	3,739,020,000	917,798,737	431,748,265	826,664,991		522,882,011	77%	100%	43,865,185	9,980,672	3.13%	Internal fund and bank loan
Xianning Nanblass 1200T / D Ton Photovoltaic Packaging Material Production Line Project	905,571,798	721,820,302	139,002,442	850,743,979	8,731,723	1,347,042	96%	100%	13,945,275	-6,505,468	3.60%	Internal fund and bank loan
Hebei window ultra-thin electronic glass second line construction project	324,646,330	256,034,845	31,090,053	23,908,567		263,216,331	89%	89%	4,863,391	2,382,495	4.28%	Internal fund and bank loan
Qingyuan South Blass Technology Reform Project	534,870,000	225,748,578	955,796	89,533		226,614,841	4%	4%				Internal fund and bank loan
450MWPERC Battery Technology Upgrade Project	100,990,000	186,866,743				186,866,743	1%	3%				Internal fund

Project name	Budget	1 January 2023	Increase in current period	Transfer to fixed assets in current period	Other decreases in current period	30 June 2023	Proportion between engineering input and budget	Engineering progress	Amount of borrowing costs capitalised	Including: Amount of borrowing costs capitalised in current period	Capitalisation rate for current period	Source of fund
Wujiang Project New Engineering Glass Intelligent Manufacturing Factory Construction Project	179,140,610	72,885,336	2,111,163	1,094,115		73,902,384	45%	58%	2,124,479	669,327	3.80%	Internal fund and bank loan
Xi'an South Glass Energy Saving Glass Production Line Project	494,000,000	41,694,021	96,583,390			138,277,411	28%	28%	287,688	287,688	3.60%	Internal fund and bank loan
Zhaoqing CSG high-end automobile glass production line project	609,830,000	40,439,362	41,115,387	4,462,186		77,092,563	24%	24%				Internal fund and bank loan
Guangxi Beihai Photovoltaic Green Energy Industry Park (Phase I) Project	4,942,051,800	33,213,753	165,909,420			199,123,173	4%	4%	1,364,414	1,312,048	1.76%	Internal fund and bank loan
Zhaoqing CSG high-end energy-saving glass production line project	500,000,000	14,799,352	5,884,509	2,996,027	12,577,720	5,110,114	87%	100%	5,780,897	52,702	3.80%	Internal fund and bank loan

Project name	Budget	1 January 2023	Increase in current period	Transfer to fixed assets in current period	Other decreases in current period	30 June 2023	Proportion between engineering input and budget	Engineering progress	Amount of borrowing costs capitalised	Including: Amount of borrowing costs capitalised in current period	Capitalisation rate for current period	Source of fund
New 50000 ton/year high-purity crystalline silicon project in Haixi Prefecture, Qinghai Province	4,498,192,210	10,319,009	200,044,097	236,450		210,126,656	5%	5%				Internal fund and bank loan
Chengdu Float three sets of flue gas treatment backup environmental protection facilities construction project	59,600,000	608,993	13,196,353			13,805,346	23%	23%				Internal fund and bank loan
Technological upgrading project of Xianning Float Line 2 (700t/d)	190,848,683		59,420,281		6,309,631	53,110,650	21%	21%	14,403	14,403	4.35%	Internal fund and bank loan
Yichang Polysilicon 1,200t/month high-purity crystalline silicon technology reform project	35,970,000	152,254	833,709,867	5,340		833,856,781	66%	66%				Internal fund
Dongguan Solar G6/G7 Line Process and Equipment Upgrading and Renovation Project	61,330,000	37,794,114	46,161,003	83,955,117			100%	100%	199,673	139,845	3.90%	Internal fund and bank loan

Project name	Budget	1 January 2023	Increase in current period	Transfer to fixed assets in current period	Other decreases in current period	30 June 2023	Proportion between engineering input and budget	Engineering progress	Amount of borrowing costs capitalised	Including: Amount of borrowing costs capitalised in current period	Capitalisation rate for current period	Source of fund
Others	1,658,144,495	307,372,271	198,268,985	306,709,971	2,655,675	196,275,610			6,183,061	102,636		Internal fund and bank loan
Total	18,834,205,926	2,867,547,670	2,265,201,011	2,100,866,276	30,274,749	3,001,607,656			78,628,466	8,436,348		

13、 Right-of-use assets

Unit: RMB

Item	Land leases	Total
I. Original book value:		
1. 1 January 2023	11,790,434	11,790,434
2. Increase in current period		
3. Decrease in current period		
4. 30 June 2023	11,790,434	11,790,434
II. Accumulative depreciation		
1. 1 January 2023	1,882,021	1,882,021
2. Increase in current period	319,141	319,141
3. Decrease in current period		
4. 30 June 2023	2,201,162	2,201,162
III. Impairment provisions		
IV. Carrying amount		
1. 30 June 2023	9,589,272	9,589,272
2. 1 January 2023	9,908,413	9,908,413

14、 Intangible assets**(1) Details of intangible assets**

Unit: RMB

Item	Land use rights	Patents and proprietary technologies	Exploitation rights	Others	Total
I. Original book value:					
1. 1 January 2023	1,425,431,642	502,074,878	5,351,751	54,579,056	1,987,437,327
2. Increase in current period	44,382,500	3,229,822	938,531,942	14,880,561	1,001,024,825
(1) Acquisition	44,382,500		938,531,942	2,302,841	985,217,283
(2) Transfers from development expenditure		3,229,822			3,229,822
(3) Others				12,577,720	12,577,720
3. Decrease in current period					
(1) Others					
4. 30 June 2023	1,469,814,142	505,304,700	943,883,693	69,459,617	2,988,462,152
II. Accumulative amortization					
1. 1 January 2023	258,193,337	227,328,706	4,775,067	45,827,071	536,124,181
2. Increase in current period	17,435,942	18,500,378	4,960,928	2,582,229	43,479,477

(1) Provision	17,435,942	18,500,378	4,960,928	2,582,229	43,479,477
3. Decrease in current period					
(1) Others					
4. 30 June 2023	275,629,279	245,829,084	9,735,995	48,409,300	579,603,658
III. Provision for impairment					
1. 1 January 2023		13,201,347		9,133	13,210,480
2. Increase in current period					
3. Decrease in current period					
4. 30 June 2023		13,201,347		9,133	13,210,480
IV. Book value					
1. 30 June 2023	1,194,184,863	246,274,269	934,147,698	21,041,184	2,395,648,014
2. 1 January 2023	1,167,238,305	261,544,825	576,684	8,742,852	1,438,102,666

(2) Land use rights without ownership certificate

Unit: RMB

Item	Carrying amount	Reasons for not yet obtaining certificates of title
Land use rights	4,139,483	The management of the Company believes that there is no substantive legal obstacle to obtaining the relevant land use certificate, and it will not have a significant adverse impact on the operation of the Group.

15. Development expenditure

Unit: RMB

Item	1 January 2023	Increase in current period	Decrease in current period		30 June 2023
		Internal development expenditure	Recognised as intangible assets	Recognised as expenses	
Development expenditure	46,755,816	10,977,711	3,229,822		54,503,705
Total	46,755,816	10,977,711	3,229,822		54,503,705

16. Goodwill

(1) Original carrying amount of goodwill

Unit: RMB

Name of invested unit or items forming goodwill	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
Tianjin CSG Architectural Glass Co., Ltd	3,039,946			3,039,946
Xianning CSG	4,857,406			4,857,406

Photoelectric				
Shenzhen CSG Display	389,494,804			389,494,804
Guangdong Licheng Construction Engineering Co., Ltd.		696,000		696,000
Total	397,392,156	696,000		398,088,156

(2) Provision for impairment of goodwill

Unit: RMB

Name of invested unit or matters forming goodwill	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
Shenzhen CSG Display	389,494,804			389,494,804
Total	389,494,804			389,494,804

17、 Long-term prepaid expenses

Unit: RMB

Item	1 January 2023	Increase in current period	Amortized amounts in current period	Other decreases	30 June 2023
Various prepaid expenses	2,647,939	5,798,547	1,878,327		6,568,159
Total	2,647,939	5,798,547	1,878,327		6,568,159

18、 Deferred tax assets and liabilities**(1) Deferred income tax assets before offsetting**

Unit: RMB

Item	30 June 2023		1 January 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairments	738,273,925	113,123,393	740,627,003	112,511,365
Deductible losses	379,522,985	65,298,553	362,029,963	65,461,019
Government grants	163,371,710	25,941,951	160,233,122	25,185,546
Accrued expenses	4,570,068	685,510	8,584,847	1,287,727
Depreciation of fixed assets, etc.	106,446,120	15,985,249	100,859,773	15,955,296
Total	1,392,184,808	221,034,656	1,372,334,708	220,400,953

(2) Deferred income tax liabilities before offsetting

Unit: RMB

Item	30 June 2023	1 January 2023
------	--------------	----------------

	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Depreciation of fixed assets	600,158,758	91,321,123	663,136,097	100,893,303
Changes in the fair value of investment real estate	368,564,944	55,284,742	368,564,944	55,284,742
Total	968,723,702	146,605,865	1,031,701,041	156,178,045

(3) Deferred income tax assets or liabilities presented with net amount after offsetting

Unit: RMB

Item	Offset amount of closing deferred tax assets and liabilities	Closing deferred tax assets or liabilities after offsetting	Offset amount of opening deferred tax assets and liabilities	Opening deferred tax assets or liabilities after offsetting
Deferred tax assets	54,545,400	166,489,256	58,911,204	161,489,749
Deferred tax liabilities	54,545,400	92,060,465	58,911,204	97,266,841

(4) Detail about unrecognized deferred income tax assets

Unit: RMB

Item	30 June 2023	1 January 2023
Deductible losses etc	1,453,735,298	1,713,248,298
Total	1,453,735,298	1,713,248,298

(5) Deductible losses of unconfirmed deferred income tax assets shall expire in the following years

Unit: RMB

Year	30 June 2023	1 January 2023	Notes
2023	86,893,698	146,238,837	
2024	178,208,832	178,208,832	
2025	657,255,317	745,942,821	
2026	524,185,763	642,332,904	
2027	524,904	524,904	
2028	6,666,784		
Total	1,453,735,298	1,713,248,298	

19、Other non-current assets

Unit: RMB

Item	30 June 2023			1 January 2023		
	Carrying amount	Impairment provision	Book value	Carrying amount	Impairment provision	Book value
Prepayment for equipment and project	1,048,111,631		1,048,111,631	194,410,485		194,410,485
Prepayment for	6,510,000		6,510,000	24,210,000		24,210,000

lease of land use rights						
Fixed deposits				80,000,000		80,000,000
Prepaid mining rights	70,500,000		70,500,000	558,000,000		558,000,000
Total	1,125,121,631		1,125,121,631	856,620,485		856,620,485

20、Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Item	30 June 2023	1 January 2023
Guaranteed loan	280,776,205	144,000,000
Credit loan	104,000,000	201,000,000
Total	384,776,205	345,000,000

21、Notes payable

Unit: RMB

Type	30 June 2023	1 January 2023
Trade acceptance	206,528,235	290,779,095
Bank acceptance	1,152,845,454	703,778,401
Total	1,359,373,689	994,557,496

22、Accounts payable

(1) Accounts payable listed

Unit: RMB

Item	30 June 2023	1 January 2023
Materials payable	1,048,261,509	813,677,642
Equipment payable	658,969,024	483,253,256
Construction expenses payable	1,108,347,387	576,821,441
Freight payable	117,036,311	88,104,366
Utilities payable	80,500,474	64,738,721
Others	11,517,950	6,947,201
Total	3,024,632,655	2,033,542,627

(2) Significant accounts payable aged more than one year

Unit: RMB

Item	30 June 2023	Reasons
Engineering and equipment payments, etc	196,983,225	Due to the unfinished final accounts of related projects, they have not been settled yet
Total	196,983,225	

23、Contract liabilities

Unit: RMB

Item	30 June 2023	1 January 2023
Contract liabilities	342,662,579	418,051,975
Total	342,662,579	418,051,975

24、Employee benefits payable**(1) Presentation of employee benefits payable**

Unit: RMB

Item	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
I. Short-term employee benefits payable	464,930,939	991,800,917	1,164,043,450	292,688,406
II. Defined contribution plans payable	8,685,489	88,228,590	88,920,588	7,993,491
III. Termination benefits		1,473,347	1,473,347	
Total	473,616,428	1,081,502,854	1,254,437,385	300,681,897

(2) Presentation of short-term benefits

Unit: RMB

Item	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
1. Wages and salaries, bonus, allowances and subsidies	438,423,328	915,764,507	1,088,074,170	266,113,665
2. Social security contributions	1,583,272	38,936,496	39,956,077	563,691
Including: Medical insurance	957,621	33,522,537	34,431,136	49,022
Work injury insurance	559,430	4,047,416	4,092,177	514,669
Maternity insurance	66,221	1,366,543	1,432,764	
3. Housing funds	891,279	26,277,832	24,987,729	2,181,382
4. Labour union funds and employee education funds	24,033,060	10,822,082	11,025,474	23,829,668
Total	464,930,939	991,800,917	1,164,043,450	292,688,406

(3) Defined benefit plans

Unit: RMB

Item	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
1. Basic pensions	8,403,902	85,097,313	85,755,917	7,745,298
2. Unemployment insurance	281,587	3,131,277	3,164,671	248,193
Total	8,685,489	88,228,590	88,920,588	7,993,491

25、 Taxes payable

Unit: RMB

Item	30 June 2023	1 January 2023
Enterprise income tax payable	73,092,705	38,330,878
VAT payable	45,427,700	91,809,300
Individual income tax payable	5,259,962	7,688,833
City maintenance and construction tax payable	3,268,464	6,755,889
Educational surcharge payable	2,661,955	4,953,777
Housing property tax payable	12,146,395	4,877,079
Environmental tax payable	1,377,003	1,252,845
Others	7,753,386	5,466,037
Total	150,987,570	161,134,638

26、 Other payables

Unit: RMB

Item	30 June 2023	1 January 2023
Other payables	456,482,668	437,119,859
Interest payable	7,275,176	99,945,325
Total	463,757,844	537,065,184

(1) Interest payable

Unit: RMB

Item	30 June 2023	1 January 2023
Interest of long-term borrowings	6,824,896	5,754,599
Interest of corporate bonds		92,258,065
Interest of short-term borrowings	450,280	1,932,661
Total	7,275,176	99,945,325

(2) Other payables**1) Disclosure of other payables by nature**

Unit: RMB

Item	30 June 2023	1 January 2023
Guarantee deposits received from construction contractors	372,906,587	331,974,002
Accrued cost of sales (i)	53,706,022	62,936,670
Payable for contracted labour costs	11,483,781	28,696,828
Temporary receipts for third parties	2,563,790	2,318,135
Others	15,822,488	11,194,224
Total	456,482,668	437,119,859

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

27、 Non-current liabilities due within one year

Unit: RMB

Item	30 June 2023	1 January 2023
Current portion of long-term borrowings	968,935,071	443,216,290
Current portion of debentures payable		1,999,316,522
Current portion of long-term account payable	39,479,429	38,900,194
Total	1,008,414,500	2,481,433,006

28、 Other current liabilities

Unit: RMB

Item	30 June 2023	1 January 2023
Output VAT to be transferred	40,127,791	50,107,240
Supply chain financing	49,040,857	
Others	300,000	300,000
Total	89,468,648	50,407,240

29、 Long-term borrowings**(1) Types of long-term borrowings**

Unit: RMB

Item	30 June 2023	1 January 2023
Guaranteed loan	3,730,316,842	3,122,455,980
Credit loan	1,498,583,739	1,231,134,000
Total	5,228,900,581	4,353,589,980

30、 Lease liabilities

Unit: RMB

Item	30 June 2023	1 January 2023
Lease liabilities	3,648,983	3,564,330
Total	3,648,983	3,564,330

31、 Long-term account payable

Unit: RMB

Item	30 June 2023	1 January 2023
Long-term account payable	109,425,563	129,236,878
Total	109,425,563	129,236,878

(1) Long-term payable listed by nature

Unit: RMB

Item	30 June 2023	1 January 2023
Finance lease payable	109,425,563	129,236,878

32、Provisions

Unit: RMB

Item	30 June 2023	1 January 2023
Mine rehabilitation and other costs	7,569,501	

33、Deferred income

Unit: RMB

Item	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
Government grants	449,875,380	837,900	21,916,903	428,796,377
Total	449,875,380	837,900	21,916,903	428,796,377

Government grants:

Unit: RMB

Item	1 January 2023	Increase in current period	Recorded in other income in current period	30 June 2023	Assets/Income related
Tianjin energy saving gold solar project	36,842,660		1,687,446	35,155,214	Assets related
Dongguan project gold solar project	29,573,250		1,375,500	28,197,750	Assets related
Hebei South Bolk Sun Project	30,250,000		1,375,000	28,875,000	Assets related
Xianning South Bolt Solar Engineering Project	32,830,417		1,515,250	31,315,167	Assets related
Wu Jiangnan infrastructure compensation	19,421,208		2,020,769	17,400,439	Assets related
Qingyuan energy-saving project	8,439,167		1,235,000	7,204,167	Assets related
Yichang polysilicon project	7,734,375		1,406,250	6,328,125	Assets related
Yichang Nanolate Silicon Molding Project	19,495,676	837,900	1,510,990	18,822,586	Assets related
Sichuan energy-saving glass project	2,205,360		827,010	1,378,350	Assets related
Group coating laboratory project	1,125,000		187,500	937,500	Assets related
Yichang high-purity silicon material project	2,114,441		151,589	1,962,852	Assets related
Yichang semiconductor silicon material project	2,666,666		111,111	2,555,555	Assets related
Yichang Display Company Project	37,897,545		1,333,906	36,563,639	Assets related
Xianning Optoelectronics Project	5,720,000		260,000	5,460,000	Assets related
Shenzhen medical equipment subsidy project	6,014,000		582,000	5,432,000	Assets related
Hebei float emission reward	8,621,656		366,879	8,254,777	Assets related
Group Talent Fund Project	171,000,000			171,000,000	Income related
Zhaoqing energy-saving industry to build financial support funds	4,380,527		4,380,527		Income related
Others	23,543,432		1,590,176	21,953,256	Assets related
Total	449,875,380	837,900	21,916,903	428,796,377	

34、Share capital

Unit: RMB

	1 January 2023	Movement for current period					30 June 2023
		New issues	Bonus issue	Transfer from capital surplus	Others	Sub-total	
Total number of ordinary shares	3,070,692,107						3,070,692,107

35、Capital surplus

Unit: RMB

Item	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
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	1 January 2023	Other comprehensive income for current period				30 June 2023
		Actual amount before tax for current period	Less: Income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income items which will be reclassified subsequently to profit or loss	170,860,478	10,030,559		10,030,559		180,891,037
1. Difference on translation of foreign currency financial statements	7,158,681	10,030,559		10,030,559		17,189,240
2. Financial rewards for energy-saving technical retrofits	2,550,000					2,550,000
3. Income generated when self-property and land use rights are converted into investment property	161,151,797					161,151,797
Total	170,860,478	10,030,559		10,030,559		180,891,037

37、Special reserve

Unit: RMB

Item	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
Safety production costs	731,580	5,038,984	5,560,045	210,519
Total	731,580	5,038,984	5,560,045	210,519

38、 Surplus reserve

Unit: RMB

Item	1 January 2023	Increase in current period	Decrease in current period	30 June 2023
Statutory surplus reserve	1,100,781,433			1,100,781,433
Discretionary surplus reserve	127,852,568			127,852,568
Total	1,228,634,001			1,228,634,001

39、 Undistributed profits

Unit: RMB

Item	H1 2023	H1 2022
Adjustment on undistributed profit at end of last year	7,786,968,455	6,450,587,417
Adjusted undistributed profit at beginning of period	7,786,968,455	6,450,587,417
Add: Net profits attributable to shareholders of parent company in current period	889,478,780	1,001,174,398
Less: Appropriation for statutory surplus reserve		
Ordinary share dividends payable		614,138,421
Undistributed profits at end of period	8,676,447,235	6,837,623,394

40、 Operating income and operating costs

Unit: RMB

Item	H1 2023		H1 2022	
	Revenue	Cost	Revenue	Cost
Principal operation	8,269,985,146	6,451,841,635	6,421,792,209	4,599,587,540
Other operations	119,355,099	43,554,296	97,424,467	38,058,387
Total	8,389,340,245	6,495,395,931	6,519,216,676	4,637,645,927

41、 Taxes and surcharges

Unit: RMB

Item	H1 2023	H1 2022
City maintenance and construction tax	18,676,773	15,694,124
Educational surcharge	14,886,892	13,036,606

Housing property tax	20,987,873	17,222,873
Land use rights	10,894,279	8,675,097
Stamp tax	6,454,506	3,840,095
Environmental tax	2,815,691	2,206,638
Others	1,662,990	605,189
Total	76,379,004	61,280,622

42、 Selling and distribution expenses

Unit: RMB

Item	H1 2023	H1 2022
Employee benefits	99,419,222	92,473,703
Entertainment fees	8,645,368	5,362,131
Business travel expenses	6,194,559	2,856,337
Vehicle use fees	4,656,501	4,488,510
Rental expenses	5,713,495	4,437,109
Freight expenses	3,390,552	2,557,634
Insurance fees	2,528,186	8,951,501
Others	16,308,258	12,779,727
Total	146,856,141	133,906,652

43、 General and administrative expenses

Unit: RMB

Item	H1 2023	H1 2022
Employee benefits	198,481,504	194,016,411
Depreciation and amortization	70,577,321	60,669,827
General office expenses	14,943,321	13,393,317
Labour union funds	10,994,483	9,792,599
Entertainment fees	8,997,162	8,507,539
Business travel expenses	4,438,258	2,194,600
Water and electricity fees	3,542,076	2,955,260
Canteen costs	5,641,281	4,624,155
Vehicle use fees	3,500,710	3,213,151
Consulting advisers	3,919,242	3,470,195
Others	15,217,414	15,798,758
Total	340,252,772	318,635,812

44、 Research and development expenses

Unit: RMB

Item	H1 2023	H1 2022
Research and development expenses	346,264,501	265,877,930
Total	346,264,501	265,877,930

45、 Financial expenses

Unit: RMB

Item	H1 2023	H1 2022
------	---------	---------

Interest on borrowings	121,742,551	118,724,723
Less: Capitalised interest	8,436,348	26,740,119
Interest expenses	113,306,203	91,984,604
Less: Interest income	45,500,449	30,756,704
Exchange losses	3,203,357	-210,284
Others	1,755,534	1,779,736
Total	72,764,645	62,797,352

46、Other Income

Unit: RMB

Item	H1 2023	H1 2022
Government subsidy amortization	21,916,903	71,815,510
Industry support funds	800,000	1,500,000
Government incentive funds	18,216,697	17,203,284
Research grants	1,528,784	2,196,600
Others	4,741,455	6,587,158
Total	47,203,839	99,302,552

47、Investment income

Unit: RMB

Item	H1 2023	H1 2022
Income from structural deposits		14,478,503
Interest on note discounting	-5,617,361	
Income from term deposits	1,534,181	1,935,192
Total	-4,083,180	16,413,695

48、Credit impairment loss

Unit: RMB

Item	H1 2023	H1 2022
Losses on bad debts of other receivables	20,297	-396,253
Losses on bad debts of accounts receivable	-7,621,521	-1,095,969
Total	-7,601,224	-1,492,222

49、Asset impairment loss

Unit: RMB

Item	H1 2023	H1 2022
Decline in the value of inventories	24,908	1,456
Total	24,908	1,456

50、Income on disposal of assets

Unit: RMB

Item	H1 2023	H1 2022
------	---------	---------

Gain/loss on disposal of non-current assets	53,451	12,745,461
Total	53,451	12,745,461

51、Non-operating revenue

Unit: RMB

Item	H1 2023	H1 2022	Amount booked into current non-recurring profits and losses
Compensation income	165,653	45,951	165,653
Amounts unable to pay	4,901,175	3,861,020	4,901,175
Insurance claims	3,212,700	9,040,000	3,212,700
Others	1,173,805	2,186,007	710,645
Total	9,453,333	15,132,978	8,990,173

52、Non-operating expenses

Unit: RMB

Item	H1 2023	H1 2022	Amount booked into current non-recurring profits and losses
Donation	300,614	1,731,127	300,614
Compensation	30,225	599,074	30,225
Government subsidy return back		74,583	
Others	155,961	1,255,286	155,961
Total	486,800	3,660,070	486,800

53、Income tax expenses

(1) Income tax expense details

Unit: RMB

Item	H1 2023	H1 2022
Current income tax	84,300,053	103,724,527
Deferred income tax	-10,205,883	65,200,997
Total	74,094,170	168,925,524

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

Unit: RMB

Item	H1 2023
Total profit	955,991,578
Income tax expenses calculated at applicable tax rates by company	158,703,893
Adjustment on effect of income tax in the prior period	-28,368,714
Costs, expenses and losses not deductible for tax purposes	741,785

Effect of deductible loss on usage of unconfirmed deferred income tax assets in the prior period	-46,970,548
Effect of deductible temporary difference or deductible loss on unconfirmed deferred income tax in the current period	1,417,560
Effect of obtaining tax incentives	-11,429,806
Income tax expenses	74,094,170

54、 Other comprehensive income

See Note Other comprehensive income for details

55、 Notes to the cash flow statement

(1) Cash received relating to other operating activities

Unit: RMB

Item	H1 2023	H1 2022
Security deposits received for operating purposes	140,939,522	11,256,308
Interest income	45,474,892	30,756,704
Government grants	41,458,937	30,487,042
Others	7,273,702	14,736,514
Total	235,147,053	87,236,568

(2) Cash paid relating to other operating activities

Unit: RMB

Item	H1 2023	H1 2022
General office expenses	22,506,207	19,162,389
Insurance fees	21,517,337	22,824,587
Entertainment fees	21,343,865	16,277,475
Canteen costs	20,838,907	19,549,842
Maintenance fee	17,742,387	13,668,199
Business travel expenses	14,512,458	7,379,731
Vehicle use fee	10,230,122	8,129,592
Rental expenses	9,824,468	10,391,291
Consulting advisers	8,326,998	6,193,327
Freight costs	4,833,629	3,928,266
Handling charges	1,820,613	1,610,434
Others	52,668,145	74,754,081
Total	206,165,136	203,869,214

(3) Cash received relating to other investing activities

Unit: RMB

Item	H1 2023	H1 2022
Security deposits received	22,629,490	
Amounts received that had been previously paid on behalf of others	10,000,000	

Total	32,629,490	
-------	------------	--

(4) Cash paid relating to other investing activities

Unit: RMB

Item	H1 2023	H1 2022
Security deposits paid for investment purposes		19,138,102
Total		19,138,102

(5) Cash received relating to other financing activities

Unit: RMB

Item	H1 2023	H1 2022
Current amounts received	12,000,000	
Others		206,753
Total	12,000,000	206,753

(6) Cash payments relating to other financing activities

Unit: RMB

Item	H1 2023	H1 2022
Repay financing leases	22,948,274	23,022,757
Others	106,000	1,142,255
Total	23,054,274	24,165,012

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

Unit: RMB

Supplementary information	H1 2023	H1 2022
1. Reconciliation from net profit to cash flows from operating activities		
Net profit	881,897,408	1,008,590,707
Add: Provision for asset impairment	-24,908	-1,456
Provision for credit impairment	7,601,224	1,492,222
Depreciation of fixed assets, oil and gas assets, and productive living assets	550,154,625	435,495,584
Depreciation of right-of-use assets	319,141	877,303
Amortisation of intangible assets	43,479,477	31,408,498
Amortisation of long-term prepaid expenses	1,878,327	289,845
Losses (gains) on disposal of fixed assets, intangible assets and other long-term asset ("-" for gains)	-53,451	-12,745,461
Financial expenses ("-" for gains)	113,306,203	91,984,604
Investment loss ("-" for gains)	4,083,180	-16,413,695
Decrease in deferred tax assets ("-" for increase)	-4,999,507	58,524,476

Increase in deferred tax liabilities ("-" for decrease)	-5,206,376	6,676,521
Decrease in inventories ("-" for increase)	-306,915,534	-668,865,872
Decrease/(increase) in operating receivables ("-" for increase)	-825,895,694	-544,965,419
Increase in operating payables ("-" for decrease)	53,764,086	505,601,316
Others	5,038,984	4,853,948
Net cash flows from operating activities	518,427,185	902,803,121
2. Net changes in cash and cash equivalents:		
Cash and cash equivalents at end of period	2,639,260,140	2,863,965,769
Less: Cash and cash equivalents at beginning of period	4,594,018,251	2,756,477,572
Net increase in cash and cash equivalents	-1,954,758,111	107,488,197

(2) Net cash payments for the acquisition of subsidiaries in the current period

Unit: RMB

	Amount
Cash or cash equivalents paid in the current period for business combinations incurred in the current period	696,000
Less: Cash and cash equivalents held by subsidiary at the acquisition date	
Add: Cash or cash equivalents paid in the current period for business combinations incurred in prior periods	
Net cash payments for the acquisition of subsidiaries	696,000

(3) Cash and cash equivalents composition

Unit: RMB

Item	30 June 2023	1 January 2023
I. Cash and cash equivalents	2,639,260,140	4,594,018,251
Bank deposits that can be readily drawn on demand	2,391,660,140	3,242,318,251
Other cash balances that can be readily drawn on demand	247,600,000	1,351,700,000
II. Cash and cash equivalents at end of period	2,639,260,140	4,594,018,251

57、The assets with the ownership or use right restricted

Unit: RMB

Item	Book value at the end of reporting period	Cause of restriction
Cash at bank and on hand	20,057,007	Restricted circulation of deposits, freezes, etc
Note receivable	701,846,825	Restricted pledge
Fixed assets	95,994,423	Restricted financing lease
Construction in progress	25,571,588	Restricted financing lease
Total	843,469,843	

58、Monetary items denominated in foreign currencies**(1) Monetary items denominated in foreign currencies**

Unit: RMB

Item	Balances denominated in foreign currencies	Exchange rates	Balances denominated in RMB
Cash at bank and on hand			103,492,166
Including: USD	12,744,010	7.2258	92,085,669
EUR	12,642	7.8771	99,586
HKD	11,925,040	0.9220	10,994,887
SGD	1,265	5.3442	6,760
AUD	797	4.7992	3,827
JPY	6,016,707	0.0501	301,437
Accounts receivable			145,856,443
Including: USD	19,045,323	7.2258	137,617,694
EUR	834,785	7.8771	6,575,688
HKD	1,803,754	0.9220	1,663,061
Accounts payable			30,828,637
Including: USD	4,031,344	7.2258	29,129,682
EUR	166,156	7.8771	1,308,827
HKD	60,560	0.9220	55,836
JPY	4,665,010	0.0501	233,717
GBP	11,000	9.1432	100,575

59、Government grants**(1) Basic conditions of government grants**

Unit: RMB

Type	Amount	Presentation account	Amount included in profit or loss for the year
Amortization of government subsidies	21,916,903	Other income	21,916,903
Other government subsidies	25,286,936	Other income	25,286,936
Government subsidies for loan interest	17,116,333	Construction in progress/financial expenses	3,321,333

(2) General information of government subsidies return

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	Cause of return
Return of the third batch of special funds for dual-creation representative carriers	1,047,210	

Return of the first batch of project funds for the provincial manufacturing high-quality development special programme	750,000	
--	---------	--

VIII、THE CHANGES OF CONSOLIDATION SCOPE

1、Business combinations not involving entities under common control

(1) Business combinations not involving entities under common control in the current period

Unit: RMB

Acquiree	Time of obtaining the equity interests	Cost	Equity-holding percentage	Way of obtaining the equity interests	Date of acquisition	Basis for the determination of the acquisition date	Revenue of the acquiree from the date of acquisition to the period-end	Net profit of the acquiree from the date of acquisition to the period-end
Guangdong Licheng Construction Engineering Co., Ltd.	March 2023	696,000	100%	Acquisition	21 March 2023	Obtaining control	0	-177,262

(2) Cost of acquisition and goodwill

Unit: RMB

Cost of acquisition	Guangdong Licheng Construction Engineering Co., Ltd.
--Cash	696,000
Total cost of acquisition	696,000
Less: Share of fair value of net identifiable assets acquired	0
Goodwill/amount by which the cost of acquisition is lower than the share of fair value of net identifiable assets acquired	696,000

Fair value measurement, contingent consideration and changes of cost of acquisition: None

Main reason for large-amount goodwill: Not applicable

Other information: None

2、Changes in scope of consolidation due to other reasons

(1) On 24 April 2023, the Group set up Guangxi CSG Mining Co., Ltd. (referred to as "Guangxi Mining"). As of 30 June 2023, the Group has invested RMB 50 million in cash. The Group owns 100% of its equity.

(2) On 19 May 2023, the Group set up Wuxuan Nanxin Mining Co., Ltd. (referred to as "Wuxuan Mining"). As of 30 June 2023, the Group has invested RMB 6 million in cash. The Group owns 60% of its equity.

IX、EQUITY IN OTHER ENTITIES

1、Interest in subsidiaries

(1) Constitution of the Group

Name of Subsidiary	Major business location	Place of registration	Scope of business	Shareholding		Method of acquisition
				Direct	Indirect	
Chengdu CSG	Chengdu, PRC	Chengdu, PRC	Development, production and sales of special glass	75%	25%	Establishment
Sichuan CSG Energy Conservation	Chengdu, PRC	Chengdu, PRC	Development, production and sales of special glass and processing of glass	75%	25%	Separation
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) Limited	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%	Separation
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 Company	Zhaoqing PRC	Zhaoqing PRC	Production and sales of various special glasses	100%		Establishment
Zhaoqing Automobile Company	Zhaoqing PRC	Zhaoqing PRC	Production and sales of various special glasses	100%		Establishment
Anhui Energy Company	Fengyang, PRC	Fengyang, PRC	Production and sales of solar glass products	100%		Establishment
Anhui Quartz Company	Fengyang, PRC	Fengyang, PRC	Production and sales of solar glass products	100%		Establishment
Anhui Silicon Valley Mingdu Mining	Fengyang, PRC	Fengyang, PRC	Mineral resources exploitation	60%		Establishment

Name of Subsidiary	Major business location	Place of registration	Scope of business	Shareholding		Method of acquisition
				Direct	Indirect	
Company						
Xi'an energy conservation company	Xi'an, PRC	Xi'an, PRC	Production and sales of various special glasses	55%	45%	Establishment
Guangxi New Energy Materials Company	Longgang, PRC	Longgang, PRC	Production and sales of various special glasses	75%	25%	Establishment

(2) Major non-wholly owned subsidiaries

Unit: RMB

Name of Subsidiary	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders for the current period	Dividends distributed to minority shareholders for the current period	Minority interests as at the period-end
Shenzhen CSG Display	39.20%	-5,431,242		405,177,951

(3) Key financial information of major non-wholly owned subsidiaries

Unit: RMB

Name of Subsidiary	30 June 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen CSG Display	212,740,693	1,294,237,190	1,506,977,883	329,231,993	77,328,171	406,560,164
	1 January 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
	200,627,791	1,323,084,986	1,523,712,777	333,428,174	79,596,855	413,025,029

Unit: RMB

Name of Subsidiary	H1 2023				H1 2022			
	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	242,490,594	-10,166,567	-10,166,567	5,701,630	276,320,544	21,191,648	21,191,648	20,948,584

X、 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

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

1、Market risk

(1) Foreign exchange risk

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

On 30 June 2023, book values in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarized below:

Unit: RMB

	30 June 2023			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency				
Cash at bank and on hand	92,085,669	10,994,887	411,610	103,492,166
Receivables	137,617,694	1,663,061	6,575,688	145,856,443
Total	229,703,363	12,657,948	6,987,298	249,348,609
Financial liabilities denominated in foreign currency				
Payables	29,129,682	55,836	1,643,119	30,828,637
Total	29,129,682	55,836	1,643,119	30,828,637

Unit: RMB

	1 January 2023			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency				
Cash at bank and on hand	31,173,757	6,942,974	213,024	38,329,755
Receivables	128,863,157	1,305,159	6,196,529	136,364,845
Total	160,036,914	8,248,133	6,409,553	174,694,600
Financial liabilities denominated in foreign currency				
Payables	28,189,789	234,966	4,483,784	32,908,539
Total	28,189,789	234,966	4,483,784	32,908,539

On 30 June 2023, if the currency had strengthened/weakened by 10% against the USD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB 17,048,763 lower/higher (31 December 2022: approximately RMB 11,207,006 lower/higher) for various financial assets and liabilities denominated in USD.

Other changes in exchange rate had no significant impact on the Group's operating activities except USD dollar.

(2) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing debts including long-term borrowings and bonds payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2023, the Group's long-term interest-bearing debts at and fixed rates and floating rates are illustrated below:

Unit: RMB

Type	30 June 2023	1 January 2023
Contracts at fixed rates	763,027,404	487,260,925
Contracts at floating rates	4,465,873,177	3,866,329,055
Total	5,228,900,581	4,353,589,980

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.

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

- (a) The Group will have steady cash inflows from operating activities;
- (b) The Group will pay the debts that mature and finance the construction projects through the existing bank 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 analyzed by their maturity date below at their undiscounted contractual cash flows:

Unit: RMB

Item	30 June 2023				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	393,996,838				393,996,838
Notes payable	1,359,373,689				1,359,373,689
Accounts payable	3,024,632,655				3,024,632,655
Other payables	463,757,844				463,757,844
Other current liabilities	89,468,648				89,468,648
Non-current liabilities due within one year	1,029,820,120				1,029,820,120
Long-term payables		42,357,197	67,068,366		109,425,563
Long-term borrowings	184,899,213	1,451,148,970	3,266,108,860	916,249,339	5,818,406,382
Total	6,545,949,007	1,493,506,167	3,333,177,226	916,249,339	12,288,881,739

Unit: RMB

Item	1 January 2023				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	350,149,308				350,149,308
Notes payable	994,557,496				994,557,496
Accounts payable	2,033,542,627				2,033,542,627
Other payables	537,065,184				537,065,184
Other current liabilities	50,407,240				50,407,240
Non-current liabilities due within one year	2,493,836,975				2,493,836,975
Long-term payables		40,906,147	88,330,731		129,236,878
Long-term borrowings	159,922,694	1,158,108,565	2,569,845,854	1,040,196,665	4,928,073,778
Total	6,619,481,524	1,199,014,712	2,658,176,585	1,040,196,665	11,516,869,486

XI、DISCLOSURE OF FAIR VALUE

1、Closing balance of assets and liabilities measured at fair value

Unit: RMB

Item	Closing fair value
------	--------------------

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	--	--	--	--
Structured deposits				
Financial assets at fair value through other comprehensive income	--	--	--	--
Receivables financing			830,989,703	830,989,703
Investment property		290,368,105		290,368,105
Total		290,368,105	830,989,703	1,121,357,808

2、Fair value of financial assets and financial liabilities not measured at fair value

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

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

Unit: RMB

Item	30 June 2023		1 January 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Corporate bonds			1,999,316,522	2,001,520,000
Total			1,999,316,522	2,001,520,000

XII、RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1、Information of the parent company

The Company regards no entity as the parent company.

2、The subsidiaries

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

3、General information of the Group's associate

None

4、Other related parties information

Name of Other Related Party	Relationship with the Group
Qianhai Life Insurance Co., Ltd	The largest shareholder of the Company
Suzhou Baoqi Logistics Co., Ltd.	Related party of the Company's largest shareholder of taking concerted action
Shantou Chaoshang Urban Comprehensive Management Co., Ltd	Related party of the Company's largest shareholder of taking concerted action
Shantou Laihua Industrial Co., Ltd.	Related party of the Company's largest shareholder of taking

concerted action

5、Related party transactions

(1) Purchase and sales of goods and rendering and receiving services

Table on purchase of goods/receiving of services

Unit: RMB

Related parties	Related transaction	H1 2023	H1 2022
Qianhai Life Insurance Co., Ltd	Purchase of life insurance	3,787,542	3,323,544
Other related parties	Purchase of goods, etc.		245,339
Total		3,787,542	3,568,883

Table on sales of goods/providing of services

Unit: RMB

Related parties	Related transaction	H1 2023	H1 2022
Shantou Chaoshang Urban Comprehensive Management Co., Ltd	Sales of goods	478,927	
Other related parties	Sales of goods	71,645	208,935
Total		550,572	208,935

(2) Related party leases

The Company as lessee:

Unit: RMB

Name of lessor	Type of leased asset	Rent costs of short-term leases and low-value asset leases with simplified treatment (if applicable)		Variable lease payments not included in the measurement of lease obligation (if applicable)		Rentals		Interest expenses on lease liabilities in the current year		Increase of right-of-use assets	
		H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Other related parties	Building						442,325		19,559		

6、Receivables from and payables to related parties

(1) Receivables from related parties

Unit: RMB

Related parties	30 June 2023	1 January 2023
-----------------	--------------	----------------

	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Qianhai Life Insurance Co., Ltd			572,995	
Total			572,995	

(2) Payables to related parties

Unit: RMB

Related parties	30 June 2023	1 January 2023
Suzhou Baoqi Logistics Co., Ltd	314,667	314,667
Shantou Laihua Industrial Co., Ltd.	20,211	
Shantou Chaoshang Urban Comprehensive Management Co., Ltd		200,881
Other related parties	118,762	125,408
Total	453,640	640,956

7、Commitments made by related parties

8、Other information

XIII、SHARE-BASED PAYMENTS

1、Overall share-based payments

None

2、Equity-settled share-based payments

None

3、Cash-settled share-based payments

None

XIV、COMMITMENTS AND CONTINGENCIES

1、Significant 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 2023	1 January 2023
Buildings, machinery and equipment	5,259,068,982	3,060,099,197

XV、OTHER SIGNIFICANT EVENTS

1、Segment reporting

(1) Determination basis and accounting policy of report segment

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

-Glass segment, responsible for production and sale of flat glass and architectural glass, as well as production of the silica for the production of flat glass, etc.

-Electronic glass and display segment, responsible for production and sale of display modules, specialised ultra-thin glass, etc.

-Solar energy and other businesses segment, responsible for production and sale of polycrystalline silicon and solar cell modules, photovoltaic energy development and other products, etc.

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

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

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

(2) Financial information of reporting segments

Unit: RMB

Item	Flat glass	Electronic glass and displays	Solar and other industries	Unallocated	Elimination	Total
Revenue from external customers	6,171,504,092	668,993,159	1,547,866,000	976,994		8,389,340,245
Inter-segment revenue	163,683,879	51,412,734	37,552,445	219,179,302	-471,828,360	
Interest income	2,651,076	255,643	1,062,614	41,531,116		45,500,449
Interest expenses	48,827,708	2,236,857	796,665	61,444,973		113,306,203
Depreciation and amortisation expenses	395,153,159	115,017,819	74,291,609	11,368,983		595,831,570
Total profit/(loss)	539,000,083	14,131,929	371,745,816	31,113,750		955,991,578
Income tax (expenses)/income	58,762,548	-573,614	15,856,729	48,507		74,094,170
Net profit/(loss)	480,237,535	14,705,543	355,889,087	31,065,243		881,897,408
Total assets	17,035,436,395	3,589,063,058	4,394,783,457	2,246,952,356		27,266,235,266
Total liabilities	8,826,523,585	638,358,176	794,819,916	2,735,455,380		12,995,157,057
Increase in non-current assets	2,053,163,413	57,306,824	301,156,437	5,749,089		2,417,375,763

XVI, NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS**1, Accounts receivable****(1) Details on categories**

Unit: RMB

Type	30 June 2023					1 January 2023				
	Carrying Amount		Provision for bad debts		Book value	Carrying Amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Credit loss provision accrued by portfolio	35,178,427	100%			35,178,427	24,484,628	100%	489,692	2%	23,994,936
Total	35,178,427	100%			35,178,427	24,484,628	100%	489,692	2%	23,994,936

Disclosure by ages

Unit: RMB

Aging	30 June 2023
Within 1 year (including 1 year)	35,178,427
Total	35,178,427

(2) Provisions made, collected or reversed in current period

Provision for bad debts made in current period:

Unit: RMB

Type	1 January 2023	Movement in current period				30 June 2023
		Accrual	Withdrawal or reversal	Write-off	Others	
Provision for bad debts for accounts receivable	489,692		489,692			
Total	489,692		489,692			

(3) Accounts receivable details of the top 5 closing balances by debtors

Unit: RMB

Name	Accounts receivable closing balance	% of total balance	Provision for bad debts
Total balance of the five largest accounts receivables	35,178,427	100%	
Total	35,178,427	100%	

2、 Other receivables

Unit: RMB

Item	30 June 2023	1 January 2023
Dividend receivable	129,077,200	375,057,800
Other receivables	2,620,795,204	1,994,373,982
Total	2,749,872,404	2,369,431,782

(1) Dividends receivable**1) Disclosed by categories**

Unit: RMB

Item	30 June 2023	1 January 2023
Dividends receivable from subsidiaries	129,077,200	375,057,800
Total	129,077,200	375,057,800

(2) Other receivables**1) Other receivables categorized by nature**

Unit: RMB

Nature of receivables	30 June 2023	1 January 2023
Due from related parties	2,495,577,727	1,870,622,635
Others	176,630,079	175,134,028
Total	2,672,207,806	2,045,756,663

2) Provision for bad debts

Unit: RMB

Bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the following 12 months (grouping)	Lifetime expected credit losses (credit unimpaired)	Lifetime expected credit losses (credit impaired)	
Amount on 1 January 2023	82,681		51,300,000	51,382,681
Carrying amount on 1 January 2023 that in this period:				
Increase in current period	29,921			29,921
Amount on 30 June 2023	112,602		51,300,000	51,412,602

3) Disclosure by ages

Unit: RMB

Ages	30 June 2023
Within 1 year (including 1 year)	2,016,721,888
Over 1 year	655,485,918
Total	2,672,207,806

4) Provisions for bad debts accrued , collected or reversed in current period

Provision for bad debts accrued in current period:

Unit: RMB

Type	1 January 2023	Movement in current period				30 June 2023
		Accrual	Withdrawal or reversal	Write-off	Others	
Provision for bad debts of other receivables	51,382,681	29,921				51,412,602
Total	51,382,681	29,921				51,412,602

5) Other receivables details of the top 5 closing balances by debtors

Unit: RMB

Name of entity	Relationship with the Group	Amount	Ageing	% of total balance	Provision for bad debts
Company 1	Subsidiary	530,568,458	Within 1 year	20%	
Company 2	Subsidiary	263,946,590	Within 1 year	10%	
Company 3	Subsidiary	246,143,413	Within 1 year	9%	
Company 4	Subsidiary	203,072,111	Over 1 year	8%	
Company 5	Subsidiary	188,301,048	Within 1 year	7%	
Total		1,432,031,620		54%	

3、Long-term equity investments

Unit: RMB

Item	30 June 2023			1 January 2023		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Investment in subsidiaries	8,852,769,867	15,000,000	8,837,769,867	7,853,487,027	15,000,000	7,838,487,027
Total	8,852,769,867	15,000,000	8,837,769,867	7,853,487,027	15,000,000	7,838,487,027

(1) Investments in subsidiaries

Unit: RMB

Investee	1 January 2023	Movement in current period				30 June 2023	Closing balance of impairment provision
		Increase in investment	Decrease in investment	Provision for impairment	Others		

			t	ent loss		
Chengdu CSG	151,397,763					151,397,763
Sichuan Energy Conservation Company	119,256,949					119,256,949
Tianjin Energy Conservation Company	247,833,327					247,833,327
Dongguan Engineering Company	198,276,242					198,276,242
Dongguan Solar Energy Company	355,120,247					355,120,247
Dongguan Photovoltaic Company	382,112,183					382,112,183
Yichang Silicon Material Company	909,960,170					909,960,170
Wujiang Engineering Company	254,401,190					254,401,190
Hebei CSG	266,189,705					266,189,705
CSG (Hong Kong) Co., Ltd.	87,767,304					87,767,304
Wujiang CSG	567,645,430					567,645,430
Jiangyou Sands Company	102,415,096					102,415,096
Xianning Float Company	181,116,277					181,116,277
Xianning Energy Saving Company	165,452,035					165,452,035
Qingyuan Energy Saving Company	885,273,105					885,273,105
Shenzhen CSG Financial Leasing Co., Ltd.	133,500,000					133,500,000
Shenzhen Display Company	550,765,474					550,765,474
Zhaoqing Energy Saving Company	150,000,000					150,000,000
Zhaoqing CSG Automotive Glass Co., Ltd.	116,047,333	27,254,920				143,302,253
Anhui Energy Company	1,300,000,000	133,427,920				1,433,427,920
Anhui Quartz Company	75,000,000					75,000,000
Anhui Silicon Valley Mingdu Mining Company	120,000,000					120,000,000
Shenzhen CSG Medical Company	20,000,000					20,000,000
Xi'an energy conservation company	41,365,000	31,600,000				72,965,000
Guangxi New Energy Materials Company	57,000,000	50,000,000				107,000,000
Nanbo (Suzhou) Corporate	30,000,000					30,000,000

Headquarters Management Co., Ltd.							
Shenzhen South Glass New Energy Industry Development Co., Ltd	120,000,000	720,000,000				840,000,000	
Others	250,592,197	37,000,000				287,592,197	15,000,000
Total	7,838,487,027	999,282,840				8,837,769,867	15,000,000

4、Operating income and operating costs

Unit: RMB

Item	H1 2023		H1 2022	
	Income	Cost	Income	Cost
Principal operation	833,033		15,479,200	15,015,892
Other operations	218,992,685		214,719,212	
Total	219,825,718		230,198,412	15,015,892

5、Investment income

Unit: RMB

Item	H1 2023	H1 2022
Investment income from long-term equity investment under cost method	1,680,533,152	648,961,128
Investment income from financial assets held for trading during the holding period		14,478,503
Income from term deposits	1,534,181	1,935,192
Total	1,682,067,333	665,374,823

XVII、SUPPLEMENTARY INFORMATION

1、Statement of non-recurring gains and losses

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	Notes
Gains or losses on disposal of non-current assets	53,451	
Government grants recognized in profit or loss (except for grants that are closely related to the Company's business and are in amounts and quantities fixed in accordance with the national standard)	48,576,899	
Losses/gains from changes of fair values occurred in holding trading financial assets and trading financial liabilities, and investment income obtaining from the disposal of trading financial assets, trading financial liability and financial assets available-for-sale, excluded effective hedging business relevant with normal operations of the Company	1,534,181	
Reversal of provision for accounts receivable that are tested for credit loss individually	2,698,913	

Other non-operating income or expenses other than above	8,503,373	
Less :Influenced amount of income tax	8,958,077	
Influenced amount of minor shareholders' equity	1,168,728	
Total	51,240,012	--

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

Applicable Not applicable

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

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

Applicable Not applicable

2、Return on net assets and earnings per share

The profit of reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	6.69%	0.29	0.29
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	6.30%	0.27	0.27

Board of Directors of
CSG Holding Co., Ltd.
29 August 2023