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**CSG HOLDING CO., LTD.**

**SEMI-ANNUAL REPORT 2016**



**Chairman of the Board:**

**ZENG NAN**

August 2016

## **Section I. Important Notice, Contents and Paraphrase**

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

All directors attended the meeting of the Board for deliberating the semi-annual report of the Company in person.

The Company has no plans of cash dividend distribution, bonus shares being sent and converting capital reserve into share capital.

Mr. Zeng Nan, Chairman of the Board, CFO Mr. Luo Youming and principal of the financial department Mr. Ding Jiuru confirm that the Financial Report enclosed in this Semi-annual Report is true and complete.

Regarding to the forward-looking statements with future planning involved in the Report, they do not constitute a substantial commitment for investors. Investors are advised to exercise caution of investment risks.

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

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## Paraphrase

Items	Refers to	Contents
Company, the Company, CSG or the Group	Refers to	CSG Holding Co., Ltd.
Ultra-thin electronic glass	Refers to	The electronic glass with thickness between 0.1~1.1mm
Second-generation energy-saving glass	Refers to	Double silver coated glass
Third-generation energy-saving glass	Refers to	Triple Silver coated glass

## Section II. Company profile

### I. Company information

Short form of the stock	Southern Glass A, Southern Glass B	Stock code	000012、200012
Listing stock exchange	Shenzhen Stock Exchange		
Legal Chinese name of the Company	中国南玻集团股份有限公司		
Abbr. of legal Chinese name of the Company	南玻集团		
Legal English name of the Company	CSG Holding Co., Ltd.		
Abbr. of legal English name of the Company	CSG		
Legal Representative	Zeng Nan		

### II. Person/Way to contact

	Secretary of the Board	Representative of security affairs
Name	Zhou Hong	Ma Limei
Contact address	CSG Building, No.1 of the 6th Industrial Road, Shekou, Shenzhen, P. R.C.	CSG Building, No.1 of the 6th Industrial Road, Shekou, Shenzhen, P. R.C.
Tel.	(86)755-26860666	(86)755-26860666
Fax.	(86)755-26860685	(86)755-26860685
E-mail	securities@csgholding.com	securities@csgholding.com

### III. Other information

#### 1. Way of contact

Whether registered address, office address and their postal codes, website address and email address of the Company changed in the report period or not

Applicable     Not applicable

The registered address, office address and their postal codes, website address and email address of the Company did not change in the report period. More details can be found in Annual Report 2015.

#### 2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in the report period or not

Applicable     Not applicable

The newspapers designated by the Company for information disclosure, the website designated by CSRC for disclosing semi-annual report and preparation place of semi-annual report did not change in the report period. More details can be found in Annual Report

2015.

### **3. Registration changes of the Company**

Whether registration has changed in the report period or not

Applicable     Not applicable

The registration date and place of the Company, its business license number, taxation registration number and organizational code did not change in the report period. More details can be found in Annual Report 2015.

### **4. Other relevant information**

Whether other relevant information changed in the report period or not

Applicable     Not applicable

## Section III. Accounting data and summary of financial indexes

### I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

Yes  No

	The report period (Jan. to Jun.2016)	The same period of last year	Increase/decrease year-on-year (%)
Operating income (RMB)	4,228,165,642	3,323,039,502	27.24%
Net profit attributable to shareholders of the listed company(RMB)	466,883,254	205,767,344	126.90%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	423,523,383	64,267,683	559%
Net cash flow arising from operating activities(RMB)	1,046,720,349	352,563,820	196.89%
Basic earnings per share (RMB/Share)	0.22	0.10	120%
Diluted earnings per share (RMB/Share)	0.22	0.10	120%
Weighted average ROE (%)	5.99%	2.47%	Increased by 3.52 percentage points
	End of this period	End of last year	Increase/decrease in this period-end over that of last year-end (%)
Total assets (RMB)	16,975,221,410	15,489,600,160	9.59%
Net assets attributable to shareholder of listed company (RMB)	7,716,520,542	7,874,310,997	-2.00%

Total share capital of the Company in the trade day before the disclosure day of this report

Total share capital of the Company in the trade day before the disclosure day of this report (share)	2,075,335,560
Fully diluted EPS calculated with the latest share capital (RMB/Share)	0.22

### II. Difference of accounting data under domestic and overseas accounting standards

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

Applicable  Not applicable

No such differences in the report period.

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

Applicable  Not applicable

No such differences in the report period.

## 3. Explanation on difference of accounting data under overseas and Chinese accounting standards

Applicable  Not applicable

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

Applicable  Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	228,658	--
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	47,606,029	--
Other non-operating income and expenditure except for the aforementioned items	1,542,049	--
Less: Impact on income tax	7,452,914	--
Impact on minority shareholders' equity (post-tax)	-1,436,049	--
Total	43,359,871	--

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

Applicable  Not applicable

It did not exist that items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*.



## Section IV. Report of the Board of Directors

### I. Introduction

In the first half year of 2016, the global economic situation was turbulent, the recovery of the main economies remained weak, and risk events occurred frequently. Under the background of a slowdown in the global economic growth and increasing uncertainty, along with Chinese economy structure adjustment being further strengthened, industrial enterprises achieved profit growth, the measure of "Removing Excess Capacity" achieved initial success, and the overall economy achieved a steady growth.

In the first half year of 2016, market situation of the Company's involving industries got better comparing with the corresponding period of last year. Confronted with favorable market situation, under the leadership of the Board, CSG's management team insisted on the professional spirit of professional managers, continued to adhere to the professional ethics of "Loyalty and Integrity, Diligence and Conscientiousness", carried forward the enterprise spirit of "Realistic and Innovative, United and Efficient", and promptly seized market opportunities and all the business got outstanding achievements. Especially, flat glass industry and solar energy industry achieved marvelous achievements. In the first half year, the Company realized operating revenue of RMB 4,228.17 million, with a year-on-year increase of RMB 905.13 million and growth rate of 27.24%. Net profit attributable to parent company was RMB 466.88 million, with a year-on-year increase of RMB 261.12 million and growth rate of 126.90%. Net profit attributable to shareholders of parent company after deducting non-recurring gains and losses was RMB 423.52 million, with a year-on-year increase of RMB 359.26 million and growth rate of 559%.

In the first half year of 2016, the prices of flat glass products held comparatively firm. With the reduction of natural gas price, prime costs were reduced and profitability of the whole industry increased significantly. Flat glass division of the Company promptly seized market opportunities, continued to reinforce cost control, energy saving, and promote the manufacture and sales of differentiated and high-grade products. In the first half year, flat glass division realized revenue (external sales) of RMB 1,569.19 million with a year-on-year increase of 24.94%, and book net profit of RMB 209.15 million with a year-on-year increase of 4369.02%.

In the first half of 2016, market competition for architectural glass continued to intensify, the overall prices continued to decline, but the market demand was sizable. Architectural glass industry of the Company further strengthened management and proactively promoted the sales of differentiated products. In the first half year, architectural glass division realized revenue (external sales) of RMB 1,313.42 million, the same level as the corresponding period of last year, and book net profit of RMB 150.33 million with a year-on-year decrease of 15.36%.

In the first half of 2016, both domestic and international PV market maintained a good growth momentum. Solar energy division of the Company grasped market opportunities, actively explored new market and expanded production capacity. In the first half year, PV industry realized revenue (external sales) of RMB 1,254.77 million with a year-on-year increase of 102.71%, and book net profit of RMB 198.21 million with a year-on-year increase of 3323.32%.

In the first half year of 2016, as market competition for middle and low end electronic glass products was further increasing, the display industry remained in the doldrums. However, the market of medium and high end products of electronic glass stayed steady, and new display product market developed rapidly. In order to enhance the profitability of the Company's electronic glass and display industry, the Company established Electronic Glass and Display Division, incorporating its subsidiaries in the field into the management of the division, and actively promoted development and production of medium and high end products and new products according to market conditions. The division realized revenue (external sales) of RMB 89.71 million and book net profit of RMB minus 3.4 million.

## II. Main business analysis

Year-on-year changes of main financial data

Unit: RMB

	The report period	The corresponding period of last year	Increase /decrease year-on-year (%)	Reasons of change
Operating revenue	4,228,165,642	3,323,039,502	27.24%	Mainly due to the increase of revenue from solar glass division and flat glass division
Operating costs	3,076,818,503	2,646,020,710	16.28%	Mainly due to the increase of revenue
Sales expenses	128,564,831	136,462,518	-5.79%	Mainly due to the decrease of transportation costs
Administration expenses	358,937,506	282,368,089	27.12%	Mainly due to the increase of wages and R&D costs
Financial expenses	133,353,393	132,742,464	0.46%	Mainly due to the increase of borrowing
Income tax expenses	77,843,164	6,526,647	1092.70%	Mainly due to the increase of profit
R&D investment	171,627,628	130,265,531	31.75%	Mainly because more investment for R&D in the report period
Net cash flow arising from operating activities	1,046,720,349	352,563,820	196.89%	Mainly due to the increase of revenue and time for cash collection shortened
Net cash flow arising from investment activities	-976,174,439	-519,761,302	87.81%	Mainly due to the increase of cash paid by subsidiaries
Net cash flow arising from financing activities	-241,140,524	194,921,774	-223.71%	Mainly due to the increase in cash payments to repay borrowings
Net increase of cash and cash equivalent	-170,034,722	26,681,388	-737.28%	Mainly due to more expenses on investment and financing activities

Major changes on profit composition or profit resources in the report period

Applicable  Not applicable

Due to the solar energy PV industry keeping up a steady rebound, the profitability of the Company's solar energy industry increased substantially. In the first half year, PV industry realized revenue (external sales) of RMB 1,254.77 million with a year-on-year increase of 102.71%, representing 29.68% the Company's revenue, and book net profit of RMB 198.21 million with a year-on-year increase of 3323.32%, representing 42.6% the Company's net profit. The industry accounted for 18.63% of the Company's sales revenue and 2.62% of the Company's net profit in the corresponding period of the previous year.

Future development and planning extended to the report period which was published in disclosure documents such as prospectus, placement instructions and assets reorganization report

Applicable  Not applicable

There was no future development or planning extended to the report period which was published in disclosure documents such as prospectus, placement instructions and assets reorganization report.

Review on the previous business plan and its progress during the report period

During the report period, the Company launched the business plan smoothly:

① In the first half year, the Company continued to adopt “Technology Advance and Product Innovation” as the core strategy for business development, and took the route of differential operation and industry upgrading relying on R&D and technological innovation. Flat glass division made use of the technical advantage accumulated in the production of float glass, actively transforming to industrial glass field while continuously optimizing product quality. In the first half year, the flat glass industry created a gross profit of RMB 40.13 million from new products, and economic benefit of RMB 2.49 million by technological innovation. The division also succeeded in developing Online Self-cleaning Glass, the construction of the production line of which is ongoing. With the continuous introduction of new products, the Company's competitiveness in the field of flat glass and profitability will sustain to strengthen and promote. In the face of the market environment of continuous declining of regular products, architectural glass division continuously developed differentiated new products such as Energy-conservation and Noise-reducing Glass, ET glass, RT Glass, and proactively promoted them. Solar energy glass division continued to strengthen technological innovation, N4 series high efficient polycrystalline silicon wafer went into mass production, the conversion efficiency of which kept ahead in domestic. The conversion efficiency of high efficiency solar cells produced by new process in Dongguan PV-tech exceeded 18.3%. In the first half year, new products of solar energy glass division created gross profit of RMB 221.935 million, and economic benefit of RMB 39.284 million by technological innovation. Electronic glass and display division constantly improved technique to promote mass production of high-alumina glass in the case of market competition of conventional ultra-thin glass becoming increasingly fierce. Currently, the high-aluminum glass products manufactured by Qingyuan CSG have achieved standards of similar foreign products, and passed the domestic quality control system authentication.

② The Company considers R&D to be its first priority in enterprise development. In the first half year, it further increased investment in R&D, intensified establishment of technician team, expanded R&D team, strengthened performance review of R&D, increased rewarding for technical achievements and constantly strengthened construction of R&D system and R&D capability. In the first half year, the Company yielded a R&D profit of RMB 341 million in total from new products and technological innovation, and totally submitted 44 patent applications, of which 30 applications were invention patents, accounting for 68.2% of total applications. Up to 30 June, the Company has totally submitted 663 patent applications.

③ The Company always adopts lean management as an important means to keep its profitability. The Company fully taps the potential of energy saving and consumption reducing in the process of production so as to effectively control the costs, while effectively improving capacity utilization rate. During the first half year, all the float glass production lines produced BQ grade products, and the average comprehensive rate of final products reached about 90%. Meanwhile, due to substantial increase in output of solar glass coated products, the comprehensive manufacturing costs decreased by 11.65% on a year on year basis. In the first half year, the business of solar glass made profit of RMB 144.42 million, laying the foundation to maintain a certain level of profitability for flat glass division. Architectural glass division achieved good business results through equipment upgrading, process optimization and production rhythm optimization, and production costs of various architectural glass products declined in varying degrees, production costs of single-silver, double-silver and triple-silver products respectively decreased by 10.57%、 11.13% and 13.96%. In the case of sales price under great strain, the cost advantage guaranteed the profitability of the Company's architectural glass. To cut down costs, improve efficiency and raise soft power of management were material measures taken by solar glass division to improve competitiveness. Yichang Polysilicon achieved substantial progress in terms of output of products and power consumption by developing a new generation of high efficient energy-saving reduction process. As a result, energy consumption and materials consumption of polysilicon production line significantly decreased. At the same time, the Company did a lot for energy integrated management. In the first half year, the total power generation which generated by the Company amounted to approximately 120.018 million kwh with a year-on-year growth of 10.26%, among which, PV power generation amounted to 31.3735 million kwh with a year-on-year growth of 15.71%, and waste heat power generation amounted to 88.6446 million kwh with a year-on-year growth of 8.46%.

④ In order to avoid financial risks effectively, the Company continued to enhance working capital management, improving the utilization efficiency of funds through reducing occupation of funds. With the joint efforts from subsidiaries, the Company's accounts

receivable turnover period was 22 days, 2 days less than the same period of last year, and inventory turnover period was 23 days, 7 days less than the same period of last year.

⑤ In view of the complexity of external economic environment, the Company further strengthened establishment of internal control environment via training and appraisals. Based on the detailed analysis on various risk factors faced by the Company in production and operation, the internal control department of the Company further improved and optimized the internal control system, intensified risk management, promoted management efficiency, strengthened process management of various production and operation, and increased frequency, strength and depth of internal control evaluation. The Company's internal audit department not only continued to strengthen the audit to day-to-day operations of the subsidiary companies but also intensified audit and investigation on contract execution and customer satisfaction, so as to prevent various kinds of operation risks effectively.

### III. Composition of main business

Unit: RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Flat glass	1,877,867,688	1,465,136,128	21.98%	21.99%	3.69%	13.77%
Architectural glass	1,306,375,266	963,900,721	26.22%	-1.56%	2.65%	-3.02%
Solar energy	1,245,298,767	892,226,198	28.35%	102.15%	66.01%	15.59%
Electronic glass & Display	85,374,425	61,151,467	28.37%	-28.43%	3.4%	-22.05%
Off-setting between divisions	(330,706,763)	(329,880,386)	--	--	--	--
According to products						
Flat glass	1,877,867,688	1,465,136,128	21.98%	21.99%	3.69%	13.77%
Architectural glass	1,306,375,266	963,900,721	26.22%	-1.56%	2.65%	-3.02%
Solar energy	1,245,298,767	892,226,198	28.35%	102.15%	66.01%	15.59%
Electronic glass & Display	85,374,425	61,151,467	28.37%	-28.43%	3.4%	-22.05%
Off-setting between divisions	(330,706,763)	(329,880,386)	--	--	--	--
According to regions						
Mainland China	3,698,178,307	2,715,304,890	26.58%	24.06%	13.19%	7.05%
H.K. China	46,568,633	33,421,447	28.23%	895.39%	693.79%	18.22%
Europe	34,282,849	28,307,346	17.43%	-8.88%	-19.91%	11.37%
Asia (excluding	316,839,177	221,291,465	30.16%	42.55%	33.65%	4.66%

Mainland China and H.K.)						
North America	64,008,117	37,911,784	40.77%	644.18%	414.57%	26.43%
Australia	19,557,991	12,502,762	36.07%	-41.21%	-39.82%	-1.47%
Other regions	4,774,309	3,794,434	20.52%	192.34%	126.27%	23.20%

#### IV. Core Competitiveness Analysis

① The Company currently has created complete industrial chains in the industries it involved, which has complementary advantage. In glass industry, the Company has built the industry chain as quartz sand → high quality float glass → architectural energy-saving glass. In the solar energy industry, the Company has finished the comprehensive construction of industry chain from high purity polycrystalline silicon materials, silicon wafer processing to cell and its module, photovoltaic rolled glass, etc. and extended to terminal application of PV power plant. With the improvement of technology in the chains, the industrial advantages emerged.

② The Company possesses a complete industry layout. At present, the Company has established large production bases in China located in North, East, West, South and Central region, which help the Company be better close to the market and serve the market. The Company continually intensifies its efforts to exploit overseas market. Sales of the products have covered all over East Asia, Southeast Asia and Middle East. Meanwhile, the Company has planned to build an architectural glass plant in Malaysia to further strengthen its status in overseas market.

③ The Company has capability of technology innovation and product innovation. It owns independent intellectual property rights of high-end float glass production process. The technology level of ultra-thin electronic glass is in the leading position in China. The Company also keeps its R&D and production of energy-saving glass in line with the world's advanced level, and its technique and technology in the field of solar energy keep leading position in domestic market.

④ The Company possesses high anti-risk capability. It has a perfect internal control system with sound performance carried out. Meanwhile, the management and control ability of account receivable and inventory stand in a high level within the industry.

⑤ CSG's core competitiveness also comes from the aggressive, innovative, professional, experienced management team and technical backbone team. Based on the perfect corporate governance structure, standardized management system and business philosophy of high-end product line and quality consciousness, the Company constantly formulates mechanism and strictly controls the operating risk, laying a solid foundation for company's rapid sustainable development.

During the report period, the Company's core competitiveness remained strong.

#### V. Investment analysis

##### 1. External equity investment

###### (1) External investment

Applicable Not applicable

The Company had no external investment in the report period.

###### (2) Shareholding of financial enterprise

Applicable Not applicable

The Company had no shareholding of financial enterprise in the report period.

### (3) Securities investment

Applicable Not applicable

The Company had no securities investment in the report period.

### (4) Statement on shareholding of other listed company

Applicable Not applicable

The Company had no shareholding of other listed company in the report period.

## 2. Entrusted financing, derivative investment and entrusted loans

### (1) Entrusted financing

Applicable Not applicable

### (2) Derivative investment

Applicable Not applicable

No derivative investment in the report period.

### (3) Entrusted loans

Applicable Not applicable

No entrusted loans in the report period.

## 3. Use of raised fund

Applicable Not applicable

The Company did not raise fund to use in the report period.

## 4. Main subsidiaries and joint-stock companies

Applicable Not applicable

Particular about main subsidiaries and joint-stock companies

Unit: RMB

Name of company	Type	Main business	Register capital	Total assets (RMB)	Net Assets (RMB)	Operating revenue (RMB)	Operating profit (RMB)	Net profit (RMB)
Chengdu CSG Glass Co., Ltd.	Subsidiary	Development, manufacture and sales of various	RMB260 million	899,845,959	375,957,827	252,983,110	5,193,608	16,384,132

		special glass						
Sichuan CSG Energy-saving Glass Co., Ltd	Subsidiary	Development, manufacture and sales of various special glass and deep processing of glass	RMB 180 million	610,951,228	257,385,715	227,511,195	23,871,424	25,440,704
Tianjin CSG Energy Conservation Glass Co., Ltd	Subsidiary	Development, producing and sales of energy-saving special glass	RMB336 million	650,958,010	488,275,812	247,354,374	15,197,698	15,514,107
Dongguan CSG Architectural Glass Co., Ltd.	Subsidiary	Deep processing of glass	RMB 240 million	845,714,276	390,608,568	383,845,080	47,648,306	44,046,949
Dongguan CSG Solar Glass Co., Ltd.	Subsidiary	Manufacture and sales of Solar-Energy Glass products	RMB 480 million	1,216,799,132	648,327,916	495,278,964	85,838,051	74,449,969
Yichang CSG Polysilicon Co., Ltd.	Subsidiary	Manufacture and sales of high purity silicon material products	RMB 1,467.98 million	3,518,005,012	1,205,086,019	849,585,959	177,356,921	153,511,919
Wujiang CSG East China Architectural Glass Co., Ltd.	Subsidiary	Deep processing of glass	RMB 320 million	717,380,441	445,120,090	294,941,208	37,947,404	33,414,791
Dongguan CSG PV-tech Co., Ltd.	Subsidiary	Manufacture and sales of solar cells and modules	RMB 516 million	914,872,101	377,880,848	494,440,733	43,554,598	37,874,249
Hebei CSG Glass Co., Ltd.	Subsidiary	Manufacture and sales of various special glass	USD 48.06 million	743,366,635	355,635,698	121,489,396	-8,725,372	-5,144,019
Wujiang CSG Glass Co., Ltd.	Subsidiary	Manufacture and sales of various special glass	RMB 565.04 million	1,639,405,702	662,271,189	712,297,354	109,857,700	95,689,475
CSG (Hong Kong) Limited	Subsidiary	Investment holding	HKD 86.44 million	1,196,978,448	1,079,538,436	0	88,833,284	89,121,140
Hebei Panel Glass Co., Ltd.	Subsidiary	Manufacture and sales of various ultra-thin electronic glass	RMB 243 million	329,933,615	258,992,751	47,409,082	4,642,249	4,089,236
Xianning CSG Glass Co., Ltd.	Subsidiary	Development and manufacture and sales of various	RMB 235 million	694,350,667	269,142,827	316,345,359	21,724,842	27,515,864

		special glass						
Xianning CSG Energy-saving Glass Co., Ltd	Subsidiary	Deep processing of glass	RMB 215 million	640,729,553	258,356,412	165,056,951	14,551,416	29,459,827
Qingyuan CSG Energy Conservation New-materials Co., Ltd.	Subsidiary	Manufacture and sales of various ultra-thin electronic glass	RMB 300 million	789,101,597	265,212,504	5,544,045	-4,673,553	-3,394,754
Jiangyou CSG Mining Development Co., Ltd.	Subsidiary	Manufacture and sales of silica sand and co-product	RMB 100 million	163,333,351	67,199,806	27,771,366	625,363	469,022
Shenzhen CSG Display Technology Co., Ltd.	Subsidiary	Manufacture and sales of display device products	RMB 143 million	1,603,624,102	704,761,687	186,206,918	142,998,089	21,718,679
Shenzhen CSG PV Energy Co., Ltd.	Subsidiary	Investment & development of solar PV plant	RMB 100 million	125,035,145	124,637,934	0	-1,792,865	-1,345,598
CSG (Hongkong) Investment Co., Ltd.	Subsidiary	Investment and trading	HKD 1 million	53,998,670	26,861,422	181,350,783	7,540,964	6,296,556

Note: On 17 May 2016, the interim meeting of the 7th Board of Directors approved the proposal of purchasing 16.10% equity of Shenzhen CSG Display Technology Co., Ltd. The equity transfer completed in June 2016, and Shenzhen CSG Display Technology Co., Ltd. became a subsidiary of the Company, included in the scope of consolidated statements.

## 5. Major investment with non-raised fund

√Applicable    □Not applicable

Unit: RMB'0,000

Project	Investment amount	Amount invested in this year	Accumulative amount actually invested ended as period-end	Progress of project (ongoing projects)	Returns from project
Qingyuan high-performance ultra-thin electronic glass project	47,166	7,221	58,615	Planning to build a high-performance ultra-thin electronic glass production line with monthly capacity of approximately one million square meters in Qingyuan, which adopts CSG's unique technology to produce 0.55mm~1.1mm high performance ultra-thin electronic glass. The project entered commercial production in June 2016.	Loss of RMB 3.39 million was made in the report period.



Expansion project of 700MW silicon wafer in Yichang CSG	198,000	4,511	58,691	Planning to implement silicon wafer expansion, of which, 300MW project went into operation in 2014 and 400MW project completed the installation and debugging for main equipment in December 2015 and then entered commercial production in January 2016.	Net profit of RMB 81.563 million was achieved in the report period.
Yichang CSG upgrading & expansion project of electronic grade polysilicon	61,322	8,069	8,712	Planning to add a new cold-hydrogenation line in Yichang CSG, which can produce electronic grade polysilicon on basis of the solar grade polysilicon device, and meanwhile add correspondent systems of reduction, rectification, recycle and utilities, so as to boost the actual capacity of polysilicon up to 12,000 tons/year (including 2,500 tons/year for electronic grade polysilicon and 9,500 tons/year for solar grade polysilicon).	In the project construction phase, no earnings were achieved.
Expansion project of 150MW cell production line in Dongguan CSG PV-tech	16,810	5,515	5,515	Planning to expand a polycrystalline cell production line in Dongguan PV. After completion of project, the designed capacity will improve to 350MW/year from 200MW/year, and the actual capacity will reach 560MW/year.	In the project construction phase, no earnings were achieved.
The expansion project of 1GW silicon wafers in Yichang CSG	107,479	183	183	Planning to expand efficient silicon wafer production capacity of 1GW in Yichang CSG based on the existing 1GW silicon wafer capacity, to realize 2.0GW silicon wafer production capacity.	In the project construction phase, no earnings were achieved.。
PV power plant investment project	250,000	6,021	6,021	The Company plans to invest and construct PV power plants during 2016-2017, of which 200MW will be built by its subsidiary Shenzhen CSG PV Energy Co., Ltd. and 140MW by CSG cooperating with Kibing Group. In February 2016, Xianning PV ground power plant construction project was contracted. On 21 June 2016, the Company completed the installation of 11MW distributed PV power plant modules located on the roof of Zhangzhou Kibing Glass Co., Ltd., and grid connection is ongoing now. In June 2016, the installation of 15MW distributed PV power plant in Heyuan CSG Kibing Company started.	In the project construction phase, no earnings were achieved.
Dongguan PV module production	11,066	0	0	The Company plans to construct a module workshop with final production capacity of 500MW, through removing part of the equipment from its subsidiary Dongguan CSG	In the project construction phase, no

line removal, equipment upgrading and expansion project				PV-tech Co., Ltd. as well as purchasing some equipment to help module production capacity in Xianning factory realize 300 MW in the first stage, and in the follow-up stage it will be expanded to 500MW according to market situation.	earnings were achieved.
Dongguan CSG Solar online self-cleaning coated glass project	5,539	0	0	The Company plans to build an online self-cleaning coated glass production line in Dongguan Solar Energy.	In the project construction phase, no earnings were achieved.
Project of establishing architectural glass plant in Malaysia	36,000	0	0	The Company plans to build an architectural glass factory in Negeri Sembilan, Malaysia. The first-phase annual production capacity of the new factory contains 1.2 million square meters of insulating glass and 1 million square meters of one-chip coated glass.	In the project construction phase, no earnings were achieved.
Production line of 4 million m <sup>2</sup> Light Guiding Panel photoelectric glass	51,000	10,200	10,200	The Company plans to establish a photoelectric glass production line in Xianning with annual capacity of 4 million m <sup>2</sup> , the products of which is applied for new-type ultra-thin LCD display. This production line also has the ability to produce ultra-thin electronic glass with higher strength than that of Qingyuan CSG Company.	In the project construction phase, no earnings were achieved.
Subtotal	784,382	41,720	147,937	--	--
Project	Investment amount	Amount invested in this year	Accumulative amount actually invested ended as period-end	Progress of project (projects suspension)	Returns from project
Expansion on energy-saving glass capacity of Wujiang Project	47,913	0	21,239	Planning to increase two coating glass production lines and support insulating glass capacity. When the project is completed, the capacities of wide flat coated glass will add 3 million square meters, and capacity of coated insulating glass will add 1.2 million square meters per year, among which, the wide flat coated glass line of 3 million square meters has been completed, and the others will be invested according to market situations.	In the report period, part of the project has been completed and the revenue was not calculated individually.
Yichang CSG 700MW crystalline silicon solar	169,330	0	0	Planning to build a crystalline silicon solar cell production line with annual capacity of 700MW. The project was suspended and further investment will be based on actual industry situations.	--

cell project					
Expanding 500MW solar module project in Dongguan	63,600	0	0	0	Planning to expand the solar module production line with annual capacity of 500MW. The project was suspended and further investment will be based on actual industry situations.
Hebei Panel Glass project of medium-alumina ultra-thin electronic glass	25,950	0	353	353	Planning to establish a production line for medium-alumina ultra-thin electronic glass in Hebei Panel Glass, using clean natural gas as the fuel, and produce 0.33mm ~ 1.1mm medium-alumina ultra-thin glass with float process. The project was suspended and further investment will be based on actual industry situations.
Subtotal	306,793	0	21,592	--	--
<b>Total</b>	1,091,175	41,720	169,529	--	--

Explanation on major investment with non-raised fund

1. Qingyuan high-performance ultra-thin electronic glass project was deliberated and approved by the 12<sup>th</sup> meeting of the 6<sup>th</sup> board of directors on 2 Aug. 2013 and disclosed on 6 Aug. 2013, Notice No.: 2013-019.
2. Expansion on energy-saving glass capacity of Wujiang Project and expansion project of 700MW silicon wafer in Yichang CSG were deliberated and approved by the 18th meeting of the 5th board of directors on 23 December 2010 and disclosed on 25 December 2010, Notice No.: 2010-046.
3. Yichang CSG upgrading & expansion project of electronic grade polysilicon was deliberated and approved by the 5<sup>th</sup> meeting of the 7<sup>th</sup> board of directors on 27 Mar. 2015 and disclosed on 31 Mar. 2015, Notice No.: 2015-009.
4. Expansion project of 150MW cell production line in Dongguan CSG PV-tech was deliberated and approved by the 10<sup>th</sup> meeting of the 7<sup>th</sup> board of directors on 5 Jan. 2016 and disclosed on 6 Jan. 2016, Notice No.: 2016-001.
5. The expansion project of 1GW silicon wafers in Yichang CSG was respectively deliberated and approved by the 10<sup>th</sup> meeting of the 7<sup>th</sup> board of directors on 5 Jan. 2016 and the 13<sup>th</sup> meeting of the 7<sup>th</sup> board of directors on 15 Apr. 2016, and respectively disclosed on 6 Jan. 2016 and 16 Apr. 2016, Notice No.: 2016-001, 2016-018.
6. PV power plant investment project was deliberated and approved by the 11<sup>th</sup> meeting of the 7<sup>th</sup> board of directors on 21 Jan. 2016 and disclosed on 22 Jan. 2016, Notice No.: 2016-006.
7. Dongguan PV module production line removal, equipment upgrading and expansion project, Dongguan CSG Solar online self-cleaning coated glass project and project of establishing architectural glass plant in Malaysia were deliberated and approved by the 13<sup>th</sup> meeting of the 7<sup>th</sup> board of directors on 15 Apr. 2016 and disclosed on 16 Apr. 2016, Notice No.: 2016-018.
8. Production line of 4 million m<sup>2</sup> Light Guiding Panel photoelectric glass was deliberated and approved by the interim meeting of the 7<sup>th</sup> board of directors on 20 May 2016 and disclosed on 21 May 2016, Notice No.: 2016-025.
9. Hebei Panel Glass project of medium-alumina ultra-thin electronic glass was deliberated and approved by the 4<sup>th</sup> meeting of the 7<sup>th</sup> board of directors on 27 Oct. 2014 and disclosed on 29 Oct. 2014, Notice No.: 2014-030.

## VI. Prediction of business performance from January to September 2016

Alert of loss or significant change in accumulative net profit from the beginning of year to the end of the next report period or compared with the same period of last year, and statement of causations.

Applicable  Not applicable

## VII. Explanation on “Non-standard audit report” from CPA by the Board and Supervisory Committee

Applicable  Not applicable

## VIII. Explanation from the Board for “Non-standard audit report” of last year

Applicable  Not applicable

## IX. Implementation of profit distribution in the report period

Plan of profit distribution in the report period especially the implementation or adjustment for the Plans of cash dividend distribution and share converted from capital reserve

Applicable  Not applicable

The profit distribution plan for 2015 was approved by Annual General Shareholders’ Meeting of 2015 held on 15 April 2016 which distributed RMB 3 (tax included) in cash for every 10 shares to all shareholders. Notice of the distribution was published on *China Securities Journal*, *Securities Times* and *Hong Kong Commercial Daily* on 11 May 2016, and the profit has been distributed. The Company had no plans of cash dividend distribution or share converted from capital reserve in the first half year of 2016.

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

## X. Plans of profit distribution and share converted from capital reserve in the report period

Applicable  Not applicable

The Company had no plans of cash dividend distribution, bonus shares distribution or share converted from capital reserve in the first half of the year.

## XI. Reception of research, communication and interview in the report period

√ Applicable   □ Not applicable

Time	Place	Way	Type	Reception	Contents discussed and material provided
2016-2-23	The Company	Field research	Institute	Shenzhen JunHai Investment Management Co., Ltd. and Matthews International Capital Management, LLC	Introduced the operation condition of the Company disclosed
2016-3-30	The Company	Field research	Institute	Guotai Junan Securities, Yongy Investment Holding Group, Beijing Hallwinning Investment Management Co., Ltd., FINE HEDGEFUNDS MANAGEMENT CO., LTD., MORGAN STANLEY HUAXIN FUNDS, Fuhua Asset, Time Investment, and Beijing Zhongxin Huacheng Investment Co., Ltd.	Introduced the operation condition of the Company disclosed
2016-4-25	The Company	Field research	Institute	Yuanta Securities, Shin Kong Life Insurance Co., Ltd., HUA NAN INVESTMENT TRUST, China Life Insurance Co., Ltd., GAINS Investment Corp. and Capital Investment Trust Corp.	Introduced the operation condition of the Company disclosed
2016-5-24	The Company	Field research	Institute	Samsung Asset Management, HI Asset Management, Shinyoung Securities, KB Asset Management, Fubon Securities Investment Trust and CMS (HK)	Introduced the operation condition of the Company disclosed

## Section V. Important Events

### I. Corporate governance of the Company

In strict compliance with the requirements of the relevant laws and regulation including The Company Law, Securities Law and Rule of Governance for Listed Company, the Company has been putting efforts in improving the corporate governance, strengthening management of information disclosure, regulating operation activities and establishing a modern corporate system. At present, the system for corporate governance of the Company is basically perfect, operation is regulated, corporate governance is consummated, which accord with the requirements of relevant documents on corporate governance of listed company issued by CSRS. During the report period, it did not exist that the company provided the undisclosed information to the largest shareholder and actual controller. And it did not exist that non-operating fund of listed company was occupied by the largest shareholder or its affiliated enterprises.

In order to strengthen internal control for information disclosure of CSG Holding Co., Ltd., enhance relevant personnel's disclosure consciousness, strengthen information collection and delivery of the Company, and improve the quality of information disclosure, the 14<sup>th</sup> meeting of the 7<sup>th</sup> Board of Directors deliberated and approved the proposal of the establishment of Information Disclosure Committee, and formulated detailed rules for the implementation of Information Disclosure Committee. During the report period, the Company conscientiously fulfilled the detailed rules for the implementation of Information Disclosure Committee and regularly held meetings of Information Disclosure Committee, which guaranteed facticity, accuracy and completeness of information disclosure and fairness of information disclosure, improved the quality of information disclosure of the Company as well.

To protect legitimate rights and interests of small investors, and cooperate with "Blue Sky Action", a special task for investor protection conducted by Shenzhen Securities Regulatory Bureau, the Company actively developed a special work plan for "Blue Sky Action", formulating a scheme for investor protection in several aspects including improving quality of information disclosure, strengthening positive interaction between investors and the Company, carrying out investor education, and regularly disclosing investor protection work report. During the report period, all the work was forging ahead on its own.

## II. Lawsuit

Significant lawsuits

Applicable  Not applicable

The Company had no significant lawsuits or arbitrations in the report period.

Other lawsuits

Applicable  Not applicable

General Statement on lawsuit (Arbitration)	Amounts (RMB 0,000)	Projected liabilities formed or not	lawsuit (Arbitration) Progress	lawsuit (Arbitration) Trial Results and Influence	Execution of lawsuit (Arbitration) Judgment	Date of Disclosure	Index of Disclosure
Contract dispute between Yichang Display and Sanmu Industrial	1,997.47	No	The two sides of the case reached an agreement through conciliation under the auspices of the court and got the Paper of Civil Mediation on February 26, 2016. Pursuant to the Paper of Civil Mediation, Sanmu Industrial should settle the outstanding payment owed to Yichang Display for shipped goods in 2 installments. Yichang Display would transfer the raw materials and semi-finished products which had already purchased to Sanmu Industrial at the price of RMB11,097,605.	The case was closed.	Sanmu Industrial has paid off the overdue payment and the payment for finished goods delivery, yet it has not settled the payment of RMB 11.09 million which was owed to Yichang display for raw materials and semi-finished goods. The case is still in the implementation stage now.	--	--
Contract disputes between Yichang Display and other three companies including Zhuhai Sanyuantai Doumen Electron Co., Ltd.	335.45	No	This case is one of the series of cases that suppliers proceeded against Yichang Display arising from the contract dispute case of Shenzhen Sanmu. The court of first instance hasn't opened a court session currently.	The case remains unclosed.	--	--	--

Contract disputes between Yichang Display and other two companies including Shenzhen Dewoer Industrial Co., Ltd	368.18	No	This case is one of the series of cases that suppliers proceeded against Yichang Display arising from the contract dispute case of Shenzhen Sanmu. The case was closed in mediation.	The case was closed.	The implementation has been finished.	--	--
Contract dispute between Yichang Display and Dongguan Xinyouwei Adhesive Products Co., Ltd	189.39	No	This case is one of the series of cases that suppliers proceeded against Yichang Display arising from the contract dispute case of Shenzhen Sanmu. The case was closed in mediation.	The case was closed in mediation.	It is still in the process of implementation.		

### III. Question from media

Applicable  Not applicable

There was no general question from media in the report period.

### IV. Bankruptcy reorganization

Applicable  Not applicable

There was no bankruptcy reorganization occurred in the report period.



## V. Assets transaction

### 1. Acquisition of assets

√ Applicable   □ Not applicable

Counterparty/ultimate controlling party	Acquired /replaced assets	Transaction price (RMB 0,000)	Progress	Impact on the business of the Company	Impact on profit and loss of the Company	Ratio of net profit attributable to listed company from such assets in total net profit	Whether be the related transactions	Association relationship with counterparty(applied to related transaction)	Date of disclosure	Index of disclosure
Fengwei Industrial Co., Ltd., Xinbang Investment Co., Ltd. and Shenzhen Qianhai Ruinan Investment Company	100% equity of Xianning Fengwei Technology Co., Ltd.	10,200	Equity transfer completed	Through the acquisition of Feng Wei technology, the Company can quickly master the key technologies for production of light guiding panel photoelectric material, speed up the process of the project. Meanwhile, it is conducive to ensuring the Company staying ahead in the field of light guiding panel photoelectric material, grabbing anticipate opportunity for domestic market of light guiding panel photoelectric material, further improving the product structure in photoelectric glass industry chain of the Company, and enhancing the overall competitiveness of the Group.	No effect	--	Yes	Vice President of CSG, Zhang Bozhong, is one of the shareholders of Qianhai Ruinan, with 40% equity held. Pursuant to <i>Shenzhen Stock Exchange Stock Listing Rules (2014 Revised)</i> , Qianhai Ruinan is the affiliated legal person of the Company and this transaction constitutes a related transaction.	2016-5-21	2016-026
Shenzhen Xinshi Investment Co., Ltd.	16.10% equity of Shenzhen CSG Display Technology Co., Ltd.	46,435	Equity transfer completed	Through purchasing part of the equity of Shenzhen display, CSG again became the controlling shareholder of Shenzhen Display. As the controlling shareholder, CSG would increase support and strengthen management for Shenzhen Display, impelling it to move towards the road of benign development, and ultimately guarantee profit maximization of CSG.	No effect	--	No	--	2016-5-21	2016-027

## 2. Sales of assets

Applicable  Not applicable

No assets were sold in the report period.

## 3. Enterprise combination

Applicable  Not applicable

No enterprise combination in the report period.

## VI. Implementation and its influence of equity incentive plan

Applicable  Not applicable

No equity incentive plan or implementation of equity incentive in the report period.

## VII. Major related transaction

### 1. Related transaction with routine operation concerned

Applicable  Not applicable

Related transaction parties	Related relationship	Related transaction type	Related transaction content	Pricing principle	Dealing price	Trading amount (RMB 0,000 ,tax included)	Proportion in the amount of the same transaction (%)	Approved amount of transaction (RMB 0,000)	Whether over the approved amount or not	Means of payments	Market price of similar transaction available	Date of disclosure	Index of disclosure
Shenzhen CSG Display Technology Co., Ltd.	Associated enterprise	Sales products and commodities to related party	Sales of ultra-thin electronic glass	Refers to market price	Not applicable	1,131	0.23%	25,000	No	monthly settlement	Not applicable	2016-1-22	2016-007
Total				--	--	1,131	--	25,000		--	--	--	--
Details of major sold-out order sent back								N/A					
The actual implementation of routine related transactions that is about to occurred in the Period with total amount estimated by category (if any)								In the report period, the total of routine related transactions was in the estimated range.					
Reason for the great difference between trade price and market reference price (if any)								Not applicable					

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

Applicable Not applicable

No related transaction with acquisition of assets or equity, sales of assets concerned occurred in the report period.

**3. Related transaction with jointly external investment concerned**

Applicable Not applicable

No related transaction with jointly external investment concerned occurred in the report period.

**4. Credits and liabilities with related parties**

Applicable Not applicable

No credits and liabilities with related parties in the report period.

**5. Other major related transaction**

Applicable Not applicable

On 20 May 2016, the Company convened an interim meeting of the 7<sup>th</sup> Board of Directors, Ltd, at which, the proposal of investment in 4 million m<sup>2</sup> light guiding panel photoelectric glass production line and acquisition of 100% equity of Xianning Fengwei Technology Co., Ltd. was deliberated and approved, which meant that the Board agreed the Company and its wholly-owned subsidiary Hetai Company to acquire 100% equity of Xianning Fengwei Technology Co., Ltd. held by Fengwei Industrial Co., Ltd., Xinbang Investment Co., Ltd. and Shenzhen Qianhai Ruinan Investment Corporation (Limited Partner), with the transfer price of RMB 102 million. Upon completion of this equity transfer, Fengwei Technology will become a wholly-owned subsidiary of CSG, and will be included in consolidated financial statement.

Vice President of CSG, Zhang Bozhong, is one of the shareholders of Qianhai Ruinan, with 40% equity held. Pursuant to *Shenzhen Stock Exchange Stock Listing Rules (2014 Revised)*, Qianhai Ruinan is the affiliated legal person of the Company and this transaction constitutes a related transaction.

Enquiry website for interim announcement of the major related transaction

Name of interim announcement	Disclosure date	Disclosure website
Announcement of acquisition of 100% equity of Xianning Fengwei Technology Co., Ltd. and related transaction	2016-5-21	Juchao Website

**VIII. Particular about non-operating fund of listed company occupied by controlling shareholder and its affiliated enterprises**

Applicable Not applicable

It did not exist that non-operating fund of listed company was occupied by controlling shareholder or its affiliated enterprises in the report period.

## IX. Significant contracts and their implementation

### 1. Trusteeship, contracting and leasing

#### (1) Trusteeship

Applicable     Not applicable

No trusteeship in the report period.

#### (2) Contract

Applicable     Not applicable

No contract in the report period.

#### (3) Leasing

Applicable     Not applicable

No leasing in the report period.

### 2. Guarantee

Applicable     Not applicable

Unit: RMB 0,000

Particulars about the external guarantee of the Company (Barring the guarantee for subsidiaries)								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)
Guarantee of the Company for the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)
Wujiang CSG Glass Co., Ltd.	2016-01-06	10,000	2016-01-25	491	General guarantee	1 year	Yes	No
Tianjin CSG Energy Conservation Glass Co., Ltd	2015-08-16	10,000	2015-08-25	1,200	General guarantee	1 year	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2015-06-16	15,000	2015-12-23	10,000	General guarantee	1 year	No	No
Xianning CSG Energy-saving Glass Co., Ltd	2015-06-16	3,000	2015-07-07	2,600	General guarantee	1 year	Yes	No
Wujiang CSG Glass Co., Ltd.	2016-01-06	10,000	2016-01-25	1,506	General guarantee	1 year	No	No

Dongguan CSG Solar Glass Co., Ltd.	2015-08-16	8,000	2015-09-15	1,400	General guarantee	1 year	No	No
Xianning CSG Energy-saving Glass Co., Ltd	2015-08-16	6,000	2015-09-10	500	General guarantee	1 year	No	No
Xianning CSG Energy-saving Glass Co., Ltd	2015-08-16	6,000	2015-09-10	4,500	General guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2016-01-06	10,000	2016-01-25	1,070	General guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2016-01-06	10,000	2016-01-25	724	General guarantee	1 year	No	No
Wujiang CSG Glass Co., Ltd.	2016-01-06	10,000	2016-01-25	47	General guarantee	1 year	No	No
Dongguan CSG Solar Glass Co., Ltd.	2015-08-16	8,000	2015-09-15	3,565	General guarantee	1 year	No	No
Dongguan CSG Solar Glass Co., Ltd.	2016-03-24	2,556	2016-04-29	860	General guarantee	1 year	No	No
Dongguan CSG Architectural Glass Co., Ltd.	2016-02-08	15,000	2015-04-01	1,323	General guarantee	1 year	No	No
Dongguan CSG Architectural Glass Co., Ltd.	2015-08-16	11,200	2015-09-15	205	General guarantee	1 year	No	No
Tianjin CSG Energy Conservation Glass Co., Ltd	2015-08-16	10,000	2015-08-25	801	General guarantee	1 year	No	No
Chengdu CSG Glass Co.,Ltd.	2016-03-25	4,973	2016-04-05	1	General guarantee	1 year	No	No
Sichuan CSG Energy Conservation Glass Co., Ltd.	2016-03-25	4,973	2016-04-05	496	General guarantee	1 year	No	No
Sichuan CSG Energy Conservation Glass Co., Ltd.	2016-03-25	5,000	2016-04-25	350	General guarantee	1 year	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2016-01-06	5,000	2016-01-22	1,707	General guarantee	1 year	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2015-06-16	5,000	2015-07-07	300	General guarantee	1 year	No	No
Xianning CSG Energy-saving Glass Co., Ltd	2015-08-14	6,000	2015-08-18	16	General guarantee	1 year	No	No
Dongguan CSG PVTech Co., Ltd.	2015-08-16	3,000	2015-09-15	3,000	General guarantee	1 year	No	No
Dongguan CSG PVTech Co., Ltd.	2016-02-08	5,000	2015-04-01	1,284	General guarantee	1 year	No	No

Yichang CSG Polysilicon Co.,Ltd.	2015-06-16	5,000	2015-07-07	747	General guarantee	1 year	No	No
Wujiang CSG East China Architectural Glass Co., Ltd.	2015-08-14	10,000	2015-09-16	58	General guarantee	1 year	No	No
Total amount of approving guarantee for subsidiaries in report period (B1)		162,492		Total amount of actual occurred guarantee for subsidiaries in report period (B2)		38,751		
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		388,260		Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)		36,335		
Total amount of guarantee of the Company( total of two abovementioned guarantee)								
Total amount of approving guarantee in report period (A1+B1)		162,492		Total amount of actual occurred guarantee in report period (A2+B2)		38,751		
Total amount of approved guarantee at the end of report period (A3+B3)		388,260		Total balance of actual guarantee at the end of report period (A4+B4)		36,335		
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+ B4)				4.71%				
Including:								
Amount of guarantee for shareholders, actual controller and its related parties(C)						0		
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(D)						0		
Proportion of total amount of guarantee in net assets of the Company exceed 50%(E)						0		
Total amount of the aforesaid three guarantees(C+D+E)						0		
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees						The Company shall bear joint and several liabilities in guarantee range if the subsidiaries fail to fulfill the obligation of repayment.		
Explanations on external guarantee against regulated procedures						N/A		

### (1) Illegal external guarantee

Applicable     Not applicable

No illegal external guarantee in the report period.

### 3. Other major contracts

Applicable     Not applicable

The Company had no other major contracts in the report period.

### 4. Other major transactions

Applicable     Not applicable

The Company had no other major transactions in the report period.

## X. Commitments from the Company or shareholder with over 5% shareholding in the report period or continues to the report period

√ Applicable   □ Not applicable

Commitments	Promisee	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform	The original non-tradable shareholder Shenzhen Shenzhen International Holdings (SZ) Limited and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	The Company has implemented share merger reform in May 2006. Till June 2008, the share of the original non-tradable shareholders which holding over 5% total shares of the Company had all released. Therein, the original non-tradable shareholder Shenzhen International Holdings (SZ) Limited and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd. both are wholly-funded subsidiaries to Shenzhen International Holdings Limited (hereinafter Shenzhen International for short) listed in Hong Kong united stock exchange main board. Shenzhen International made commitment that it would strictly carry out related regulations of Securities Law, Administration of the Takeover of Listed Companies Procedures and Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions issued by CSRC during implementing share decreasingly-held plan and take information disclosure responsibility timely.	2006-05-22	N/A	By the end of the report period, the above shareholders of the Company had strictly carried out their promises.
Commitments in report of acquisition or equity change	Foresea Life Insurance Co., Ltd., Shenzhen Jushenghua Co., Ltd. and Chengtai Group Co., Ltd.	Foresea Life Insurance Co., Ltd., Shenzhen Jushenghua Co., Ltd. and Chengtai Group Co., Ltd. issued detailed report of equity change on 29 June 2015, in which, they undertook to keep independent from CSG in aspects of personnel, assets, finance, organization set-up and business as long as Foresea Life Insurance remained the largest shareholder of CSG. Meanwhile, they made commitment on regularizing related	2015-6-29	During the period when Foresea Life remains the largest shareholder of the Company	By the end of the report period, the above shareholders of the Company had strictly carried out their promises.

		transaction and avoiding industry competition.			
Commitments in assets reorganization					
Commitments in initial public offering or re-financing	Foresea Life Insurance Co., Ltd., China North Industries Corporation	The Company's shareholders, Foresea Life Insurance Co., Ltd. and China North Industries Corporation, made commitments that they would not reduce CSG's shares within six months after private placement of CSG from Nov. 25, 2015.	2015-11-25	From Nov. 25, 2015 to Jul. 2, 2016	By the end of the report period, the above shareholders of the Company had strictly carried out their promises.
Equity incentive commitment					
Other commitments for medium and small shareholders	Foresea Life Insurance Co., Ltd., China North Industries Corporation	The Company's shareholders, Foresea Life Insurance Co., Ltd. and China North Industries Corporation, made commitments that they would not reduce CSG's shares within six months after private placement of CSG from July 15, 2015.	2015-07-15	From Jul. 15, 2015 to Jan. 15, 2016	By the end of the report period, the above shareholders of the Company had strictly carried out their promises.
Completed on time(Y/N)	Yes				
If the commitments is not fulfilled on time, explain the reasons and the next work plan	Not applicable				

## XI. Engaging and dismissing of CPA

Whether the semi-annual report has been audited or not

Yes  No

The semi-annual report of the Company has not been audited.



## XII. Penalty and rectification

Applicable  Not applicable

There was no penalty or rectification in the report period.

## XIII. Risk announcement of delisting for violating laws and rules

Applicable  Not applicable

The Company had no risk of delisting for violating laws or rules in the report period.

## XIV. Other major events

Applicable  Not applicable

### 1. Plan of non-public offering of A-share

Summary of item	Interim announcement	Disclosure date	Disclosure website
<p>Proposals of non-public offering of A-share to specific investors etc. were deliberated and approved by the interim meeting of the 7<sup>th</sup> session of the Board on 22 April 2015. The Company planned to exercise equity financing by means of non-public offering of A-share. The total amount of non-public offering of A-share was 179,977,502 shares, 112,485,939 shares of which was specifically issued to Foresea Life Insurance Co., Ltd. with one billion yuan in cash, and 67,491,563 shares of which was specifically issued to China Northern Industries Corporation with 0.6 billion yuan in cash.</p> <p>The A shares subscribed by China Northern Industries Corporation and Foresea Life Insurance Co., Ltd. in this plan are not allowed to be transferred within 36 months from the listing date.</p> <p>Pricing benchmark is the announcement day of board resolution for this issue. The offering price is RMB 8.89/share, no less than 90% of the average trading price of 20 trading days before pricing benchmark. Offering price will be adjusted if issues such as dividends, bonus shares, capital reserve and other ex dividend issues occurred before offering.</p>	<p>"Announcement of the interim meeting resolution of the seventh board of directors"</p> <p>"Announcement of the interim meeting resolution of the seventh board of supervisors"</p> <p>"Non-public offering of A-share plan"</p> <p>" Feasibility Analysis Report about the raised fund use of Non-public offering of A-share"</p> <p>"Announcement of related transactions involved in non-public offering of A-share"</p> <p>"Indicative announcement of changes in shareholders' equity"</p> <p>"Report about the use of previous raised funds"</p> <p>"Valid share subscription agreement subject to conditions between the Company and Foresea Life Insurance Co., Ltd."</p> <p>"Valid share subscription agreement subject to conditions between the company and China Northern Industries Corporation"</p>	2015-4-23	<p>Juchao website (<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>)</p> <p>Announcement No.: 2015-019</p> <p>2015-020</p> <p>2015-021</p> <p>2015-022</p>
Proposal of adjusting period of validity for the resolution of	"Announcement of the interim meeting	2015-6-16	Juchao website

the non-public offering of A-share plan and period of validity which the general meeting of shareholders authorized the Board to deal with all the specific issues associated with the non-public offering of A-share was deliberated and approved by the interim meeting of the 7 <sup>th</sup> Board of Directors on 15 June 2015. The Board agreed to adjust period of validity for the resolution of the non-public offering of A-share plan and adjust period of validity which the general meeting of shareholders authorized the Board to deal with all the specific issues associated with the non-public offering of A-share. The period of validity changed to 12 months commencing from the date on which the relevant resolution is approved at general meeting instead of the original 18 months commencing from that date.	resolution of the seventh board of directors" "Announcement of the interim meeting resolution of the seventh board of supervisors" "Report about the use and authentication of the previous raised funds "		(http://www.cninfo.com.cn) Announcement No.: 2015-033 2015-035
Relevant items of the non-public offering of A-share had been considered and approved at the first extraordinary general meeting of shareholders in 2015 convened by the Company on 2 July 2015.	"Announcement of the resolution of the first extraordinary general meeting of shareholders in 2015"	2015-7-3	Juchao website (http://www.cninfo.com.cn) Announcement No.: 2015-038
Application for non-public offering of A-share was accepted by China Securities Regulatory Commission	"Announcement of the acceptance of application for non-public offering of A-share by China Securities Regulatory Commission "	2015-8-18	Juchao website (http://www.cninfo.com.cn) Announcement No.: 2015-046
The Company's non-public offering of A-share received "Notice about review and feedback to administrative permissive projects from China Securities Regulatory Commission"	"Announcement of receipt of 'Notice about review and feedback to administrative permissive projects from China Securities Regulatory Commission' "	2015-11-13	Juchao website (http://www.cninfo.com.cn) Announcement No.: 2015-058
Reply to feedback of the Company's application documents for non-public offering of A-share	"Announcement of the reply to feedback of the Company's application documents for non-public offering of A-share " "Commitment about not reducing holding shares by Foresea Life Insurance Co., Ltd." " Commitment about not reducing holding shares by China North Industries Corporation"	2015-12-8	Juchao website (http://www.cninfo.com.cn) Announcement No.: 2015-059
The 13 <sup>th</sup> meeting of the seventh board of directors of the Company deliberated and approved the proposal of diluting	"Announcement of the resolution of the 13 <sup>th</sup> meeting of the seventh board of	2016-4-16	Juchao website (http://www.cn

the immediate return because of non-public offering of shares and measures to mitigate the influence as well as the proposal of the directors and senior management personnel's commitments about diluting the immediate return because of non-public offering of shares and measures to mitigate the influence. The Company analyzed the impact of immediate return dilution of the non-public offering of shares, put forward the specific measures to mitigate the influence, and relevant personnel of the Company made commitments to effectively fulfill the measures for filling in return.	directors" "Announcement of diluting the immediate return because of non-public offering of shares and measures to mitigate the influence as well as the relevant personnel's commitments" "Announcement of the commitments about diluting the immediate return because of non-public offering of shares and measures to mitigate the influence which were made by the relevant personnel of CSG Holding Co., Ltd."		nfo.com.cn) Announcement No.: 2016-018  2016-019  2016-020
By 2 July 2016, the Company had not obtained the written authorization from the CSRC for this non-public offering plan. According to relevant requirements of the CSRC and Shenzhen Stock Exchange, this non-public offering plan became invalid automatically.	"Announcement of the non-public Offering of A-share plan declared invalid due to expiration"	2016-7-4	Juchao website (http://www.cninfo.com.cn) Announcement No.: 2016-030

## 2. Short-term Financing Bills

On 23 April 2013, annual general meeting of 2012 of CSG Holding Co., Ltd deliberated and approved the proposal of short-term financing bills offering, agreed the application of issuing short-term financing bills with a total amount of no more than 40 percent of the Company's net assets (the issued short-term financing bills included). On 20 December 2013, National Association of Financial market Institutional Investors held its 74th registration meeting of 2013, in which NAFMII decided to accept the Company's short-term financing bills registration, amounting to RMB 1.1 billion, valid for two years. China CITIC Bank Corporation Limited and Agricultural Bank of China Co., Ltd were joint lead underwriters of these short-term financing bills, which could be issued by stages within the validity period of registration. On 14 March 2014, the Company issued short-term financing bills with a total amount of RMB 0.5 billion and deadline of one year, which was redeemed on 14 March 2015. On 22 April 2015, the Company issued the 1st batch of short-term financing bills for the year of 2015 with a total amount of RMB 0.6 billion and annual interest rate of 4.28%, and the expiry date is 23 April 2016. On 16-17 September 2015, the Company issued the 2nd batch of short-term financing bills for the year of 2015 with a total amount of RMB 0.4 billion and annual interest rate of 3.50%, and the expiry date is 17 September 2016.

For details, please refer to [www.chinabond.com.cn](http://www.chinabond.com.cn) and [www.chinamoney.com.cn](http://www.chinamoney.com.cn).

## 3. Ultra-short-term financing bills

On 10 December 2014, the First Extraordinary Shareholders' General Meeting 2014 of CSG Holding Co., Ltd deliberated and approved the proposal of application for registration and issuance of ultra-short-term financing bills with registered capital of RMB 4 billion at most and validity within 2 years. On 21 May 2015, National Association of Financial Market Institutional Investors (NAFMII) held the 32nd registration meeting of 2015, in which NAFMII decided to accept the registration of the Company's ultra-short-term financing bills, amounting to RMB 4 billion and valid for two years. China Merchants Bank Co., Ltd., Shanghai Pudong Development Bank Co., Ltd., Industrial Bank Co., Ltd., China CITIC Bank Co., Ltd. and China Agriculture Bank Co., Ltd. were joint lead underwriters of these ultra-short-term financing bills, which could be issued by stages within period of validity of the registration. On 12 June 2015, the Company issued the first batch of ultra-short-term financing bills for the year of 2015 with total

amount of RMB 0.8 billion and valid term of 270 days at the issuance rate of 4.25%, which was redeemed on 11 March 2016. On 13 October 2015, the Company issued the second batch of ultra-short-term financing bills for the year of 2015 with total amount of RMB 1.1 billion and valid term of 270 days at the issuance rate of 3.81%, which will be redeemed on 11 July 2016. On 10 March 2016, the Company issued the first batch of ultra-short-term financing bills for the year of 2016 with total amount of RMB 0.8 billion and valid term of 270 days at the issuance rate of 3.15%, which will be redeemed on 6 December 2016. On 17 May 2016, the Company issued the second batch of ultra-short-term financing bills for the year of 2016 with total amount of RMB 0.9 billion and valid term of 270 days at the issuance rate of 4.18%, which will be redeemed on 10 February 2017. On 2 August 2016, the Company issued the third batch of ultra-short-term financing bills for the year of 2016 with total amount of RMB 0.6 billion and valid term of 270 days at the issuance rate of 3.67%, which will be redeemed on 1 May 2017.

For details, please refer to [www.chinabond.com.cn](http://www.chinabond.com.cn) and [www.chinamoney.com.cn](http://www.chinamoney.com.cn).

#### 4. Perpetual bonds

On 23 March 2016, the 12<sup>th</sup> meeting of the seventh board of directors of CSG Holding Co., Ltd. deliberated and approved the proposal of application for registration and issuance of perpetual bonds, and agreed the Company to register and issue perpetual bonds with total amount of RMB 3.1 billion which could be issued by several times within the validity period of registration according to the Company's actual demand for funds and the capital status of inter-bank market. Details can be found in "Announcement of the resolution of the 12th meeting of the seventh board of directors", the announcement number of which is 2016-009. The above proposal was deliberated and approved by 2015 annual general meeting of shareholders held on April 15, 2016.

#### 5. Medium-term notes

On 10 December 2014, the First Extraordinary Shareholders' General Meeting 2014 of CSG Holding Co., Ltd deliberated and approved the proposal of application for registration and issuance of medium term notes with total amount of RMB 1.2 billion at most. On 21 May 2015, National Association of Financial Market Institutional Investors (NAFMII) held the 32<sup>nd</sup> registration meeting of 2015, in which NAFMII decided to accept the registration of the Company's medium term notes, amounting to RMB 1.2 billion and valid for two years. China Merchants Bank Co., Ltd. and Shanghai Pudong Development Bank Co., Ltd. were joint lead underwriters of these medium term notes which could be issued by stages within within period of validity of the registration.

On 10 July 2015, the Company issued the first batch of medium term notes with total amount of RMB 1.2 billion and valid term of 5 years at the issuance rate of 4.94%, which will be redeemed on 14 July 2020.

For details, please refer to [www.chinabond.com.cn](http://www.chinabond.com.cn) and [www.chinamoney.com.cn](http://www.chinamoney.com.cn).

On 23 March 2016, the 12<sup>th</sup> meeting of the seventh board of directors of CSG Holding Co., Ltd. deliberated and approved the proposal of application for registration and issuance of medium-term notes, and agreed the Company to register and issue medium-term notes with total amount of RMB 0.8 billion which could be issued by several times within the validity period of registration according to the Company's actual demand for funds and the capital status of inter-bank market. Details can be found in "Announcement of the resolution of the 12th meeting of the seventh board of directors", the announcement number of which is 2016-009. The above proposal was deliberated and approved by 2015 annual general meeting of shareholders held on April 15, 2016.

## **XV. Issuance of corporate bonds**

Whether the Company has corporate bonds publicly listed in Stock Exchange which are not matured or haven't completed the payment till the day when the semi-annual report is approved and announced or not

Yes

### 1. The basic information of corporate bonds

Name	Short name	Bond code	Issue date	Maturity date	Bond balance (RMB 0,000)	Interest rate	Way of repayment of principal and interest
Corporate bond in 2010 of CSG	10 CSG 02	112022	2010-10-20	2017-10-20	100,000	5.33%	Using simple interest year - on - year, non - compound interest, the interest is paid once a year and the principal is paid at a time once due, and the final interest is paid together with the principal.
Corporate bond listing or transfer trading place				Shenzhen Stock Exchange			
Appropriate arrangements for investors				Corporate bond "10 CSG 02" establishes the sell-back option for investors, and its bondholders have the right to sell back all or part of their bonds at par to the issuer on October 20, 2015. In accordance with the bond sell-back declaration data provided by China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the effective sell-back declaration quantity of corporate bond "10 CSG 02" of this time was 0, the sell-back amount was RMB 0, the remaining hosting amount was 10,000,000 pieces.			
Interest payment and encashment of corporate bonds during the reporting period				Nil			
Implementation of the special provisions including option and exchangeable terms of issuers or investors attached to corporate bonds and the relevant provisions during the reporting period (if applicable)				N/A			

### 2. Information of bond trustee and credit rating institution

Bond trustee:							
Name	China Merchants Securities Co., Ltd.	Office adds.	38-45 floor, Ablock, Jiangsu Building, Yitian Road, Futian District, Shenzhen	Contact person	Nie Dongyun	Tel.	0755-82960984
Credit rating institution which tracks rating corporate bonds in the report period:							
Name	CCXR	Office adds.	8 floor, Anji Building, 760 Tibet South Road, Huangpu District, Shanghai				
If bond trustee and credit rating institution engaged by the Company changed in the report period, explain the reason of the change, performance of the procedure, and the impact on the interest of investors etc. (if applicable)							Not applicable

### 3. The use of fund raised by corporate bonds

The use of fund raised by corporate bonds and performance of the procedure	The raised fund is in strict accordance with the relevant provisions.
Balance at the end of year	0

The operation of the special account for raised fund	The operation of the special account for raised fund is strictly accordance with the relevant provisions of prospectus commitment.
Whether the use of raised fund is consistent with the purpose, plan of use and other agreements of prospectus commitment	Consistent

#### 4. Information of the rating of corporation bonds

According to CCXR' s track rating in 2016, the Company's subject credit rating is AA +, rating outlook is stable, and the bonds credit rating of the current period is evaluated as AA +.

#### 5. Trust mechanism, debt repayment plans and other debt repayment safeguards of corporation bonds

During the report period, the trust mechanism, debt repayment plans and other debt repayment safeguards have not been changed which are the same as the relevant commitments of raising instruction manual, the relevant implementations are as follows:

##### I. Debt repayment plan

The Company established the annual and monthly plan for application of funds based on the payment arrangement for coming due principal and interest of the corporation bonds, reasonably managed and allocated the funds so as to make sure the due principal and interest be paid in time. The capital sources for paying the corporation bonds in the report period were mainly the cash flow generated by the Company's operating activities and the bank loans.

##### II. Repayment safeguards for the Company's bonds

In order to fully and effectively maintained the interests of the bondholders, the Company has made a series plans for the timely and sufficient repayment for bonds in the report period, including confirming the specialized departments and personnel, arranging the funds for repayment, establishing the management measures, achieving the organization coordination, and strengthening information disclosure so as to form a set of safeguards to ensure the security payment of bond.

##### (I) Establish the "Bondholders' Meeting Rules"

The Company has established the "Bondholders' Meeting Rules" for the corporation bonds in accordance with the "Pilot Approach for the Issuance of Corporation Bonds", appointed the range, procedures and other important matters for bondholders to exercise rights by bondholders' meeting and made reasonable institutional arrangements to ensure the principal and interest of the corporation bonds be paid timely and sufficiently.

##### (II) Engage bond trustee

The Company has engaged China Merchants Securities Co., Ltd. as the trustee for the corporation bonds in accordance with the "Pilot Approach for the Issuance of Corporation Bonds", and signed the "Bond Trusteeship Agreement". In the duration of the corporation bonds, the bond trustee will maintain the interests of the Company's bondholders according to the agreement.

##### (III) Establish the specialized reimbursement working group and set up special account for debt repayment

The Company used the funds raised from the bond strictly in accordance with the "Financial Management System" and "Financial Funds Management Approach". The Company has appointed the financial department to take the lead and take charge of the repayment of corporation bonds, implement and arrange the repayment funds for principal and interest of corporation bonds in the annual financial budget so as to ensure the principal and interest be paid on time and guarantee the interests of bondholders. Within 15 working days before the annual interest pay day and annual principal pay day of corporation bonds, the Company specially

establishes a working group of which the members are composed of personnel from the company's financial management department to take charge of the repayment of interests and other relevant work. The Company guarantees the funds for payment of interest will be sent to the special repayment account three days before the annual interest payment and the funds for cashing principle will be sent to the special repayment account one week before the due date of corporation bonds, the special repayment account will pay both the principle and interest.

(IV) Improve profitability, strengthen funds management, and optimize debt structure

The Company has a rigorous financial system and a normative management system, account receivable turnover and inventory turnover are in good status, the Company's financial policies are steady, and the structure of assets and liabilities is reasonable. The Company will continue its efforts to enhance the profitability of main business and the market competitiveness of products so as to improve the Company's return on assets; the Company also will continue to strengthen the management of accounts receivable and inventory so as to improve accounts receivable turnover and inventory turnover, and thereby enhance the Company's ability to obtain cash.

(V) Strict information disclosure

The Company follows the principle of truly, accurately and completely disclosing information so that the Company's debt paying ability and use of proceeds can be under the supervision of the bondholders, bond trustee and shareholders to prevent debt repayment risk.

(VI) Other safeguards

When the Company cannot pay interest and principal on time or has other breach of contracts, the Company will at least take following measures:

1. Do not distribute profits to shareholders.
2. Postpone the implementation of capital expenditure projects such as major foreign investment, mergers and acquisitions.

## 6. Information about the bond-holder meeting during the reporting period

There was no bond-holder meeting convened in the report period.

## 7. Information about the obligations fulfilled by the bond trustee in the report period

Bond trustee perform their duties as the agreement during the report period.

The Company disclosed the "2010 Annual Corporate Bonds Trusteeship Transaction Report (2015)" prepared by China Merchants Securities Co., Ltd. at Juchao website (<http://www.cninfo.com.cn>) on April 20, 2016, to which investors are welcomed to refer.

The Company disclosed the "Major issues of 2010 Corporate Bonds Trusteeship Transaction Interim Report" prepared by China Merchants Securities Co., Ltd. at Juchao website (<http://www.cninfo.com.cn>) on June 29, 2016, to which investors are welcomed to refer.

## 8. The key accounting data and financial indicators for the end of the report period and the end of last year (or the report period and the same period of last year)

Item	The end of the report period	The end of last year	Increase/decrease (%)
Flow rate	38%	43%	-5%

Assets liabilities rate	53%	49%	4%
Speed ratio	31%	36%	-5%
	The report period	The same period of last year	Increase/decrease (%)
Interest coverage ratio of EBITDA	8.61	5.98	43.98%
Loan repayment rate	100%	100%	0%
Interest coverage ratio	100%	100%	0%

The main reason for the above main accounting data and financial indicators changed more than 30% y-o-y

Applicable  Not applicable

Interest coverage ratio of EBITDA increased mainly because profit for the period increased on a year-on-year basis.

## 9. Information about the restricted asset right by the end of the report period

Item	The restricted amount	Reason for restriction
Monetary fund	RMB 5,446,558	The Company's guarantee deposit for the application of opening letter of credit and loan from the bank.

## 10. Debts fail to be repaid

Applicable Not applicable

No debts failed to be repaid.

## 11. Payment of principle and interest for other bonds and debt financing instruments during the report period

Short-term financing bills

On April 23, 2016, the Company completed the repayment of the short-term financing bills with total amount of RMB 0.6 billion and valid term of one year at the issuance rate of 4.28%, which issued on April 22, 2015.

On March 11, 2016, the Company completed the repayment of the ultra-short-term financing bills with total amount of RMB 0.8 billion and valid term of 270 days at the issuance rate of 4.25%, which issued on June 12, 2015.

On July 11, 2016, the Company completed the repayment of the ultra-short-term financing bills with total amount of RMB 1.1 billion and valid term of 270 days at the issuance rate of 3.81%, which issued on October 13, 2015.

## 12. Information about of bank credit and use, as well as repayment of bank loans during the report period

In the report period, the Company gained bank credit of RMB 2,907.52 million and use quota of RMB 1,406.85 million and repaid loans of RMB 3,988.40 million.

## 13. Information about fulfillment of the stipulations or commitments specified in the Prospectus of the issuance of the bonds during the report period

Nil



**14. Significant event occurring during the report period**

Nil

**15. Whether there is a guarantor of corporate bonds**

Yes  No

## Section VI. Changes in Shares and Particulars about Shareholders

### I. Changes in Share Capital

Unit: Share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion (%)	New shares issued	Bonus shares	Capitalization of public reserve	Others	Subtotal	Amount	Proportion (%)
I. Restricted shares	8,679,666	0.42%				85,500	85,500	8,765,166	0.42%
1. State-owned shares	0	0%							
2. State-owned legal person's shares	0	0%							
3. Other domestic shares	8,679,666	0.42%				85,500	85,500	8,765,166	0.42%
Including: Domestic legal person's shares	0	0%							
Domestic natural person's shares	8,679,666	0.42%				85,500	85,500	8,765,166	0.42%
4. Foreign shares	0	0%							
Including: Foreign legal person's shares	0	0%							
Foreign natural person's shares	0	0%							
II. Unrestricted shares	2,066,655,894	99.58%				-85,500	-85,500	2,066,570,394	99.58%
1. RMB Ordinary shares	1,304,071,902	62.84%						1,304,071,902	62.84%
2. Domestically listed foreign shares	762,583,992	36.75%				-85,500	-85,500	762,498,492	36.74%
3. Overseas listed foreign shares	0	0%							
4. Others	0	0%							
III. Total shares	2,075,335,560	100%						2,075,335,560	100%

Reasons for share changed

√ Applicable    □ Not applicable

Appointment for senior executive

Approval of share changed

√ Applicable    □ Not applicable

On 20 May 2016, the proposal of appointment for senior executive was deliberated and approved by the interim meeting of the 7th Board of Directors of the Company, and Mr. Zhang Bozhong was appointed as Vice President of the Company, thus 75% shares (85,500 shares) held by Mr. Zhang were included in executive restricted shares.

Ownership transfer for changed shares

□ Applicable    √ Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common

shareholders of Company in the latest year and period

Applicable  Not applicable

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

Applicable  Not applicable

Explanation on changes in aspects of total shares, shareholder structure, assets and liability structure of the Company

Applicable  Not applicable

## II. Amount of shareholders of the Company and particulars about shareholding

Unit: Share

Total shareholders at the end of the report period		139,047	Total preference shareholders with voting rights recovered at end of the report period (if applicable)				Nil	
Shareholder with above 5% shares hold or top 10 shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held (%)	Total shares held at the end of report period	Changes in report period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							Share status	Amount
Foresea Life Insurance Co., Ltd. – Haili Niannian	Domestic non state-owned legal person	21.78%	452,021,277	94,642,217		452,021,277		
China Northern Industries Corporation	State-owned legal person	3.62%	75,167,934	0		75,167,934		
Shenzhen Jushenghua Co., Ltd.	Domestic non state-owned legal person	2.87%	59,552,120	0		59,552,120		
Central Huijin Investment Ltd.	State-owned legal person	1.92%	39,811,300	0		39,811,300		
Shenzhen International Holdings (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	1.78%	37,040,200	0		37,040,200		
China Galaxy International Securities (H.K.) Co., Ltd.	Foreign legal person	1.38%	28,692,212	-380,400		28,692,212		
China Merchants Securities (Hongkong) Co., Ltd.	State-owned legal person	1.36%	28,305,848	18,624,797		28,305,848		
China Securities Finance Corporation	Domestic non state-owned legal person	1.27%	26,357,447	0		26,357,447		
Xintongchan Industrial Development (Shenzhen) Co.,	Domestic non state-owned	0.70%	14,459,899	0		14,459,899		

Ltd.	legal person							
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.64%	13,280,792	0		13,280,792		
Strategic investors or general legal person becomes top 10 shareholders due to shares issued (if applicable)	N/A							
Explanation on associated relationship among the aforesaid shareholders	<p>Among shareholders as listed above, Shenzhen Jushenghua Co., Ltd. is a related legal person of Foresea Life Insurance Co., Ltd. and Chengtai Group Co., Ltd., another related legal person of Foresea Life Insurance Co., Ltd, which held 27,625,299 shares via China Galaxy International Securities (H.K.) Co., Ltd.</p> <p>Shenzhen International Holdings (Shenzhen) Co., Ltd. and Xintongchan Industrial Development (Shenzhen) Co., Ltd. are holding enterprises and belong to controlling enterprise of Shenzhen International Holdings Co., Ltd.</p> <p>Except for the above-mentioned shareholders, It is unknown whether other shareholders belong to related party or have associated relationship regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.</p>							
Particular about top ten shareholders with un-restrict shares held								
Shareholders' name	Amount of un-restrict shares held at year-end	Type of shares						
		Type	Amount					
Foresea Life Insurance Co., Ltd. – Haili Niannian	452,021,277	RMB ordinary shares	452,021,277					
China Northern Industries Corporation	75,167,934	RMB ordinary shares	75,167,934					
Shenzhen Jushenghua Co., Ltd.	59,552,120	RMB ordinary shares	59,552,120					
Central Huijin Investment Ltd.	39,811,300	RMB ordinary shares	39,811,300					
Shenzhen International Holdings (Shenzhen) Co., Ltd.	37,040,200	RMB ordinary shares	37,040,200					
China Galaxy International Securities (H.K.) Co., Ltd.	28,692,212	Domestically listed foreign shares	28,692,212					
China Merchants Securities (Hongkong) Co., Ltd.	28,305,848	Domestically listed foreign shares	28,305,848					
China Securities Finance Corporation	26,357,447	RMB ordinary shares	26,357,447					
Xintongchan Industrial Development (Shenzhen) Co., Ltd.	14,459,899	RMB ordinary shares	14,459,899					
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	13,280,792	RMB ordinary shares	13,280,792					
Statement on associated relationship or consistent action among the above shareholders:	<p>Among shareholders as listed above, Shenzhen Jushenghua Co., Ltd. is a related legal person of Foresea Life Insurance Co., Ltd. and Chengtai Group Co., Ltd., another related legal person of Foresea Life Insurance Co., Ltd, which held 27,625,299 shares via China Galaxy International Securities (H.K.) Co., Ltd.</p> <p>Shenzhen International Holdings (Shenzhen) Co., Ltd. and Xintongchan Industrial Development (Shenzhen) Co., Ltd. are holding enterprises and belong to controlling</p>							

	enterprise of Shenzhen International Holdings Co., Ltd. Except for the above-mentioned shareholders, It is unknown whether other shareholders belong to related party or have associated relationship regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.
Explanation on shareholders involving margin business (if applicable)	As of 30 June 2016, the Company's shareholder, Shenzhen Jushenghua Co., Ltd., held 59,552,120 shares in total with 0 share in its general account and 59,552,120 shares via the client credit trading guarantee account of China Galaxy Securities Co., Ltd. 59,552,120 shares of Shenzhen Jushenghua Co., Ltd. which were held via the credit securities account by margin trading mode were directly returned to its general account on 12 July 2016.

Buy back deals carried out by the shareholders in the report period

Yes  No

There were no buy back deals carried out by the shareholders in the report period.

### III. Changes of controlling shareholder or actual controller

Changes of controlling shareholder in the report period

Applicable  Not applicable

There was no change of controlling shareholder in the report period.

Changes of actual controller in the report period

Applicable  Not applicable

There was no change of actual controller in the report period.

### IV. Particulars about shareholding increase scheme proposed or implemented in the report period by shareholder of the Company and its concerted action person

Applicable  Not applicable

As far as the Company knows, no shareholder of the Company or its concerted action person proposed or implemented any shareholding increase scheme in the report period.

## Section VII. Particulars about Directors, Supervisors and Senior

### Executives

#### I. Changes of shares held by directors, supervisors and senior executives

Applicable  Not applicable

There were no changes of shares held by directors, supervisors and senior executives in the report period. Details can be found in Annual Report 2015.

#### II. Changes of the directors, supervisors and senior executives

Applicable  Not applicable

Name	Title	Type	Date	Reasons
Chen Lin	Director	Be elected	2016-1-21	By-election of directors
Wang Jian	Director	Be elected	2016-1-21	By-election of directors
Ye Weiqing	Director	Be elected	2016-1-21	By-election of directors
Cheng Xibao	Director	Be elected	2016-1-21	By-election of directors
Hu Yong	Vice President	appointment	2016-3-23	Due to the need of business development, the Board of Directors approved to appoint Mr. Hu Yong as Vice President of the Company.
Zhang Bozhong	Vice President	appointment	2016-5-20	Due to the need of business development, the Board of Directors approved to appoint Mr. Hu Yong as Vice President of the Company.

## Section VIII. Financial Report

### (I) Auditors' Report

Whether the Semi-annual Report has been audited or not

Yes  No

The Semi-annual Report of the Company has not been audited.

### (II) Financial Statements

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

#### 1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	Ending balance	Beginning balance
Current asset:		
Monetary capital	410,156,713	578,834,520
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	373,907,457	453,546,538
Account receivable	570,549,510	452,961,612
Prepayment	148,891,272	109,841,295
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	208,558,646	116,224,370
Repurchasing of financial assets		
Inventories	412,025,146	350,425,732
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	209,932,151	118,359,117

Total of current asset	2,334,020,895	2,180,193,184
Non-current assets		
Loans and payment on other's behalf disbursed		
Available-for-sale financial asset		
Expired investment in possess		
Long-term receivable		50,104,299
Long-term share equity investment		668,210,253
Investment real estates		
Fixed assets	11,504,543,244	10,199,674,929
Construction in process	1,090,294,600	1,339,340,780
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,076,270,201	846,238,811
R&D expense	44,864,564	26,280,426
Goodwill	722,389,281	3,039,946
Long-term amortizable expenses	1,281,448	1,597,865
Differed income tax asset	103,666,023	110,336,216
Other non-current asset	97,891,154	64,583,451
Total of non-current assets	14,641,200,515	13,309,406,976
Total of assets	16,975,221,410	15,489,600,160
Current liabilities		
Short-term loans	4,034,851,007	3,216,326,670
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into		
Derivative financial liabilities		
Notes payable	6,014,869	8,000,000
Account payable	1,136,684,714	915,266,051
Prepayment received	148,319,760	117,434,636
Selling of repurchased financial assets		



Fees and commissions receivable		
Employees' wage payable	140,222,521	170,539,613
Tax payable	92,920,852	119,826,177
Interest payable	152,327,588	89,363,806
Dividend payable		
Other account payable	204,741,291	143,021,055
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	217,500,000	239,000,000
Other current liability	300,000	300,000
Total of current liability	6,133,882,602	5,019,078,008
Non-current liabilities		
Long-term borrowings	1,402,000,000	1,200,000,000
Bond payable	1,000,000,000	1,000,000,000
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Anticipated liabilities		
Differed income	438,566,480	383,599,103
Differed income tax liability	20,338,456	9,531,572
Other non-recurring liabilities		
Total of non-current liabilities	2,860,904,936	2,593,130,675
Total of liability	8,994,787,538	7,612,208,683
Owners' equity		
Share capital	2,075,335,560	2,075,335,560
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,260,481,460	1,261,391,272

Less: Shares in stock		
Other comprehensive income	3,475,825	2,967,772
Special reserves	13,766,216	15,437,498
Surplus reserves	881,972,330	881,972,330
Common risk provision		
Undistributed profit	3,481,489,151	3,637,206,565
Total of owner's equity belong to the parent company	7,716,520,542	7,874,310,997
Minor shareholders' equity	263,913,330	3,080,480
Total of owners' equity	7,980,433,872	7,877,391,477
Total of liability and owners' equity	16,975,221,410	15,489,600,160

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Ding Jiuru

## 2. Balance Sheet of the Parent Company

Unit: RMB

Item	Ending balance	Beginning balance
Current asset:		
Monetary capital	206,437,888	395,798,393
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable		
Prepayment		492,191
Interest receivable		
Dividend receivable		
Other account receivable	3,918,265,469	4,283,715,036
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current asset	4,124,703,357	4,680,005,620
Non-current assets		
Available-for-sale financial asset		
Expired investment in possess		

Long-term receivable	2,169,115,620	2,139,873,923
Long-term share equity investment	4,988,091,791	4,337,777,738
Investment real estates		
Fixed assets	28,022,552	30,806,106
Construction in process		
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,540,137	1,762,037
R&D expense		
Goodwill		
Long-term amortizable expenses	447,120	894,241
Differed income tax asset		
Other non-current asset	703,650	
Total of non-current assets	7,187,920,870	6,511,114,045
Total of assets	11,312,624,227	11,191,119,665
Current liabilities		
Short-term loans	3,500,000,000	2,900,000,000
Financial liabilities measured at fair value with variations accounted into		
Derivative financial liabilities		
Notes payable		
Account payable	211,459	
Prepayment received		
Employees' wage payable	28,500,020	38,240,000
Tax payable	3,632,755	39,469,245
Interest payable	50,063,286	79,906,647
Dividend payable		
Other account payable	280,417,253	295,421,165
Liabilities held for sales		
Non-current liability due in 1 year	141,000,000	239,000,000
Other current liability		
Total of current liability	4,003,824,773	3,592,037,057

Non-current liabilities		
Long-term borrowings	1,200,000,000	1,200,000,000
Bond payable	1,000,000,000	1,000,000,000
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Anticipated liabilities		
Differed income	12,789,420	10,543,800
Differed income tax liability		
Other non-recurring liabilities		
Total of non-current liabilities	2,212,789,420	2,210,543,800
Total of liability	6,216,614,193	5,802,580,857
Owners' equity		
Share capital	2,075,335,560	2,075,335,560
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,405,166,459	1,404,803,407
Less: Shares in stock		
Other comprehensive income		
Special reserves		
Surplus reserves	896,517,690	896,517,690
Undistributed profit	718,990,325	1,011,882,151
Total of owners' equity	5,096,010,034	5,388,538,808
Total of liability and owners' equity	11,312,624,227	11,191,119,665

### 3. Consolidated Income Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	4,228,165,642	3,323,039,502
Incl. Business income	4,228,165,642	3,323,039,502
Interest income		

Insurance fee earned		
Fee and commission received		
II. Total business cost	3,720,133,533	3,214,501,324
Incl. Business cost	3,076,818,503	2,646,020,710
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	23,384,672	12,148,234
Sales expense	128,564,831	136,462,518
Administrative expense	358,937,506	282,368,089
Financial expenses	133,353,393	132,742,464
Asset impairment loss	-925,372	4,759,309
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	-14,264,359	42,454,450
Incl. Investment gains from affiliates	-14,264,359	-14,452,010
Exchange gains (“-“ for loss)		
III. Operational profit (“-“ for loss)	493,767,750	150,992,628
Plus: non-operational income	50,038,364	76,155,971
Incl. Income from disposal of non-current assets	248,642	2,675,438
Less: non-operational expenditure	661,628	25,532
Incl. Loss from disposal of non-current assets	19,984	18,755
IV. Gross profit (“-“ for loss)	543,144,486	227,123,067
Less: Income tax expenses	77,843,164	6,526,647
V. Net profit (“-“ for net loss)	465,301,322	220,596,420
Net profit attributable to the owners of parent company	466,883,254	205,767,344
Minor shareholders' equity	-1,581,932	14,829,076
VI. Net amount of other gains after tax	508,053	80,050,980
Net amount of other gains after tax attributable to owners of parent company	508,053	80,221,527
(I) Other comprehensive income that will not be		

reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period	508,053	80,221,527
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		80,536,743
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements	508,053	-315,216
6. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		-170,547
VII. Total of misc. incomes	465,809,375	300,647,400
Total of misc. incomes attributable to the owners of the parent company	467,391,307	285,988,871
Total misc gains attributable to the minor shareholders	-1,581,932	14,658,529
VIII. Earnings per share:		
(I) Basic earnings per share	0.22	0.10
(II) Diluted earnings per share	0.22	0.10

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Ding Jiuru

#### 4. Income Statement of the Parent Co.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Revenue	1,077,394	0
Less: business cost	60,334	0
Business tax and surcharge		

Sales expense		
Administrative expense	61,907,277	17,964,162
Financial expenses	11,263,822	71,363,481
Asset impairment loss	-1,770,242	7,044
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	399,280,607	536,119,358
Incl. Investment gains from affiliates	9,850,045	-14,452,010
II. Operational profit (“-“ for loss)	328,896,810	446,784,671
Plus: non-operational income	766,180	22,234,014
Incl. Income from disposal of non-current assets	1,800	450
Less: non-operational expenditure		
Incl. Loss from disposal of non-current assets		
III. Gross profit (“-“ for loss)	329,662,990	469,018,685
Less: Income tax expenses	-45,852	-20,048,352
IV. Net profit (“-“ for net loss)	329,708,842	489,067,037
V. Net amount of other gains after tax		79,790,488
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period		79,790,488
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		79,790,488
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements		
6. Other		

VI. Total of misc. incomes	329,708,842	568,857,525
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	4,822,965,397	3,678,762,331
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of disposal of the financial assets measured by fair value with the changes included in the current gains and losses		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	35,363,638	22,976,079
Other cash received from business operation	46,108,936	36,428,636
Sub-total of cash inflow from business activities	4,904,437,971	3,738,167,046
Cash paid for purchasing of merchandise and services	2,769,544,694	2,463,302,682
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		



Cash paid to staffs or paid for staffs	529,127,685	448,537,986
Taxes paid	336,130,323	243,006,911
Other cash paid for business activities	222,914,920	230,755,647
Sub-total of cash outflow from business activities	3,857,717,622	3,385,603,226
Cash flow generated by business operation, net	1,046,720,349	352,563,820
II. Cash flow generated by investing		
Cash received from investment retrieving		153,447,723
Cash received as investment profit		75,777,221
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	617,985	2,758,651
Net cash received from disposal of subsidiaries or other operational units		-14,631,399
Other investment-related cash received	29,699,884	9,799,515
Sub-total of cash inflow due to investment activities	30,317,869	227,151,711
Cash paid for construction of fixed assets, intangible assets and other long-term assets	472,503,623	534,162,825
Cash paid as investment	4,250,000	208,540,307
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	507,974,099	
Other cash paid for investment activities	21,764,586	4,209,881
Sub-total of cash outflow due to investment activities	1,006,492,308	746,913,013
Net cash flow generated by investment	-976,174,439	-519,761,302
III. Cash flow generated by financing		
Cash received as investment	5,500,000	
Incl. Cash received as investment from minor shareholders	5,500,000	
Cash received as loans	4,443,422,252	3,793,199,608
Cash received from bond placing		
Other financing-related cash received	100,725,978	19,650,025
Subtotal of cash inflow from financing activities	4,549,648,230	3,812,849,633
Cash to repay debts	3,988,397,915	2,425,458,345
Cash paid as dividend, profit, or interests	693,264,874	1,190,310,895
Incl. Dividend and profit paid by subsidiaries to minor shareholders		41,417,660

Other cash paid for financing activities	109,125,965	2,158,619
Subtotal of cash outflow due to financing activities	4,790,788,754	3,617,927,859
Net cash flow generated by financing	-241,140,524	194,921,774
IV. Influence of exchange rate alternation on cash and cash equivalents	559,892	-1,042,904
V. Net increase of cash and cash equivalents	-170,034,722	26,681,388
Plus: Balance of cash and cash equivalents at the beginning of term	574,744,877	156,838,260
VI. Balance of cash and cash equivalents at the end of term	404,710,155	183,519,648

## 6. Cash Flow Statement of the Parent Co.

Unit: RMB

Item	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services		
Tax returned		
Other cash received from business operation	2,616,039	1,758,593
Sub-total of cash inflow from business activities	2,616,039	1,758,593
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	62,007,982	50,046,583
Taxes paid	39,306,033	198,269
Other cash paid for business activities	6,551,752	6,450,318
Sub-total of cash outflow from business activities	107,865,767	56,695,170
Cash flow generated by business operation, net	-105,249,728	-54,936,577
II. Cash flow generated by investing		
Cash received from investment retrieving		145,377,279
Cash received as investment profit	389,430,562	571,159,803
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,800	450
Net cash received from disposal of subsidiaries or other operational units		1,271,535
Other investment-related cash received	3,000,000	
Sub-total of cash inflow due to investment activities	392,432,362	717,809,067

Cash paid for construction of fixed assets, intangible assets and other long-term assets	117,326	637,788
Cash paid as investment	175,755,000	45,791,650
Net cash received from subsidiaries and other operational units	464,345,956	
Other cash paid for investment activities		4,229,882
Sub-total of cash outflow due to investment activities	640,218,282	50,659,320
Net cash flow generated by investment	-247,785,920	667,149,747
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	4,110,000,600	3,455,447,602
Cash received from bond placing		
Other financing-related cash received	326,432,420	
Subtotal of cash inflow from financing activities	4,436,433,020	3,455,447,602
Cash to repay debts	3,608,000,600	2,211,297,402
Cash paid as dividend, profit, or interests	662,199,041	1,119,056,925
Other cash paid for financing activities		736,881,547
Subtotal of cash outflow due to financing activities	4,270,199,641	4,067,235,874
Net cash flow generated by financing	166,233,379	-611,788,272
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,568,311	-5,614,641
V. Net increase of cash and cash equivalents	-189,370,580	-5,189,743
Plus: Balance of cash and cash equivalents at the beginning of term	394,606,753	67,898,286
VI. Balance of cash and cash equivalents at the end of term	205,236,173	62,708,543

**7. Statement of Change in Owners' Equity (Consolidated)**

Prepared by CSG Holding Co., Ltd.

Amount of the Current Term

RMB

Items	Amount of the Current Term												
	Owners' Equity Attributable to the Parent Company											Minority shareholders' Total of owners' equity	Total of owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Common risk provision	Retained profit		
Preferred share		Perpetual capital securities	Others										
I. Balance at the end of the previous year	2,075,335,560				1,261,391,272		2,967,772	15,437,498	881,972,330		3,637,206,565	3,080,480	7,877,391,477
Plus: change of accounting policy													
Correction of errors in previous periods													
Business combination under the same control													
Others													
II. Balance at the beginning of current year	2,075,335,560				1,261,391,272		2,967,772	15,437,498	881,972,330		3,637,206,565	3,080,480	7,877,391,477
III. Amount of change in current term					-909,812		508,053	-1,671,282			-155,717,414	260,832,850	103,042,395

(“-“ for decrease)														
(I) Total amount of the comprehensive income							508,053					466,883,254	-1,581,932	465,809,375
(II) Capital paid in and reduced by owners													5,500,000	5,500,000
1. Common shares invested by the shareholders													5,500,000	5,500,000
2. Capital invested by the owners of other equity instruments														
3. Amounts of share-based payments recognized in owners' equity														
4. Others														
(III) Profit distribution													-622,600,668	-622,600,668
1. Appropriations to surplus reserves														
2. Appropriations to general risk provisions														
3. Appropriations to owners (or shareholders)													-622,600,668	-622,600,668

4. Others													
(IV) Internal carry-forward of owners' equity													
1. New increase of capital (or share capital) from capital public reserves													
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Others													
(V) Specific reserve								-1,671,282					-1,671,282
1. Withdrawn for the period								3,465,325					3,465,325
2. Used in the period								5,136,607					5,136,607
(VI) Others					-909,812							256,914,782	256,004,970
IV. Balance at the end of this term	2,075,335,560				1,260,481,460	3,475,825	13,766,216	881,972,330		3,481,489,151	263,913,330		7,980,433,872

Amount of Last Year

Unit: RMB

Items	Amount of the same period of last year												
	Owners' Equity Attributable to the Parent Company											Minority shareholders' Total of owners' equity	Total of owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Common risk provision	Retained profit		
	Preferred share	Perpetual capital securities	Others										
I. Balance at the end of the previous year	2,075,335,560				1,340,090,907		-13,521,093	14,562,826	830,772,731		4,101,320,834	304,886,385	8,653,448,150
Plus: change of accounting policy													
Correction of errors in previous periods													
Business combination under the same control													
Others													
II. Balance at the beginning of current year	2,075,335,560				1,340,090,907		-13,521,093	14,562,826	830,772,731		4,101,320,834	304,886,385	8,653,448,150
III. Amount of change in current term ("—" for decrease)					-79,132,773		80,221,527	237,949			-831,900,436	-245,521,369	-1,076,095,102

(I) Total amount of the comprehensive income							80,221,527				205,767,344	14,658,529	300,647,400
(II) Capital paid in and reduced by owners													
1. Common shares invested by the shareholders													
2. Capital invested by the owners of other equity instruments													
3. Amounts of share-based payments recognized in owners' equity													
4. Others													
(III) Profit distribution											-1,037,667,780	-41,417,660	-1,079,085,440
1. Appropriations to surplus reserves													
2. Appropriations to general risk provisions													
3. Appropriations to owners (or shareholders)											-1,037,667,780	-41,417,660	-1,079,085,440
4. Others													



(IV) Internal carry-forward of owners' equity													
1. New increase of capital (or share capital ) from capital public reserves													
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Others													
(V) Specific reserve								237,949					237,949
1. Withdrawn for the period								2,691,116					2,691,116
2. Used in the period								2,453,167					2,453,167
(VI) Others					-79,132,773							-218,762,238	-297,895,011
IV. Balance at the end of this term	2,075,335,560				1,260,958,134	66,700,434	14,800,775	830,772,731		3,269,420,398	59,365,016		7,577,353,048

### 8. Statement of Change in Owners' Equity (Parent Co.)

Amount of the Current Term

Unit: RMB

Items	Amount of the Current Term										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained profit	Total of owners' equity
		Preferred share	Perpetual capital securities	Others							
I. Balance at the end of the previous	2,075,335,560				1,404,803,407				896,517,690	1,011,882,151	5,388,538,808
Plus: change of accounting policy											
Correction of errors in previous periods											
Others											
II. Balance at the beginning of current year	2,075,335,560				1,404,803,407				896,517,690	1,011,882,151	5,388,538,808
III. Amount of change in current term ("-" for decrease)					363,052					-292,891,826	-292,528,774
(I) Total amount of the comprehensive income										329,708,842	329,708,842
(II) Capital paid in and reduced by owners											
1. Common shares invested by the shareholders											
2. Capital invested by the owners of other equity instruments											

3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution										-622,600,668	-622,600,668	
1. Appropriations to surplus reserves												
2. Appropriations to general risk										-622,600,668	-622,600,668	
3. Others												
(IV) Internal carry-forward of owners' equity												
1. New increase of capital (or share capital) from capital public reserves												
2. New increase of capital (or share capital) from surplus reserves												
3. Surplus reserves for making up losses												
4. Others												
(V) Specific reserve												
1. Withdrawn for the period												
2. Used in the period												
(VI) Others						363,052					363,052	
IV. Balance at the end of this term	2,075,335,560					1,405,166,459				896,517,690	718,990,325	5,096,010,034

Amount of Last Year

Unit: RMB

Items	Amount of the same period of last year										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained profit	Total of owners' equity
		Preferred share	Perpetual capital securities	Others							
I. Balance at the end of the previous	2,075,335,560				1,403,806,545		-15,223,855		845,318,091	1,588,753,536	5,897,989,877
Plus: change of accounting policy											
Correction of errors in previous periods											
Others											
II. Balance at the beginning of current year	2,075,335,560				1,403,806,545		-15,223,855		845,318,091	1,588,753,536	5,897,989,877
III. Amount of change in current term ("-" for decrease)					363,052		79,790,488			-548,600,743	-468,447,203
(I) Total amount of the comprehensive income							79,790,488			489,067,037	568,857,525
(II) Capital paid in and reduced by owners											
1. Common shares invested by the shareholders											
2. Capital invested by the owners of other equity instruments											

3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution											-1,037,667,780	-1,037,667,780
1. Appropriations to surplus reserves												
2. Appropriations to general risk											-1,037,667,780	-1,037,667,780
3. Others												
(IV) Internal carry-forward of owners' equity												
1. New increase of capital (or share capital ) from capital public reserves												
2. New increase of capital (or share capital) from surplus reserves												
3. Surplus reserves for making up losses												
4. Others												
(V) Specific reserve												
1. Withdrawn for the period												
2. Used in the period												
(VI) Others						363,052						363,052
IV. Balance at the end of this term	2,075,335,560				1,404,169,597		64,566,633		845,318,091	1,040,152,793		5,429,542,674

### III. Basic Information of the Company

CSG Holding Co Ltd (the “Company”) was incorporated in September 1984, known as China South Glass Company, as a joint venture enterprise by Hong Kong China Merchants Shipping Co., LTD (香港招商局轮船股份有限公司), Shenzhen Building Materials Industry Corporation (深圳建筑材料工业集团公司), China North Industries Corporation (中国北方工业深圳公司) and Guangdong International Trust and Investment Corporation (广东国际信托投资公司). The Company was registered in Shenzhen, Guangdong Province of the People's Republic of China and its headquarter locates in Guangdong Province of the People's Republic of China. The Company issued RMB-dominated ordinary shares and foreign shares publicly in October 1991 and January 1992 respectively, and listed on Shenzhen Stock Exchange on February 1992. On 31 December 2015, the registered capital was RMB 2,075,335,560, 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, achitectural glass, energy-saving energy meterials with glass as the medium, polysilicon and solar module and electronic glass and display, as well as the construction and operation of photovoltaic plant.

The financial statements were authorised for issue by the board of directors on 16 August 2016.

Details of major subsidiaries that were included in the financial statements please refer to Note 9(1).

### IV. Basis of the preparation of financial statements

#### 1. Basis of the preparation

The financial statements are prepared in accordance with the Accounting Standard 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

As at 30 June 2016, the Group had net current liabilities of about RMB 3.8 billion and committed capital expenditure of RMB 185 million. The directors of the Company has assessed the following facts and conditions: a) the Group has been able to generate positive operating cash flows in prior years and expect to do so during the coming year; As at 30 June 2016, the net cash inflow from operation activities was approximately RMB1.047 billion. b) the Group has maintained good relationship with banks so the Group has been able to successfully get adequate financing credit; As at 30 June 2016, the Group had unutilised internal banking facilities of approximately RMB 6.4 billion, including the long-term banking facilities of approximately RMB 0.8 billion. In addition, the Group also has other available financing channels, such as short-term financing bills, ultra-short –term financing notes, medium term notes and perpetual bonds. The directors are of view that the above banking facilities can meet the funding requirements of the Group’s debt servicing and capital commitment. Accordingly, the directors of the Company had adopted the going concern basis in the preparation of this financial statement of the Company and the Group.

## **V. Significant accounting policies and accounting estimates**

The Group determines its specific accounting policies and estimates according to manufacturing and operation feature. It mainly reflected in provision for bad debts of receivables, inventory costing method, amortization of fixed assets and intangible assets, criteria for determining capitalised development expenditure, and timing for revenue recognition.

Please see the note V (28) for the key judgements adopted by the Group in applying important accounting policies.

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

The financial statements of the Company for the first half year of 2016 truly and completely present the financial position as of 30 June 2016 and the operating results, cash flows and other information for the first half year of 2016 of the Group and the Company in compliance with the Accounting Standards for Business Enterprises.

### **2. Accounting period**

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

### **3. Operating cycle**

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

### **4. Recording currency**

The recording currency is Renminbi (RMB).

### **5. Accounting process method of Business combinations under common and different controlling.**

#### **(a) Business combinations involving entities under common control**

The assets and liabilities that the combining party obtains in a business combination shall be measured on the basis of their carrying amount in the combined party. As for the balance between the carrying amount of the net assets obtained by the combining party and the carrying amount of the consideration paid by it, the additional paid-in capital shall be adjusted. If the additional paid-in capital is not sufficient to be offset, the retained earnings shall be adjusted. Costs directly attributable to business combination are recorded into the profits and losses once incurred. Transaction costs attributed to issue equity securities or debt securities for business combination are recorded into initial recognition amounts of equity securities or debt securities.

#### **(b) Business combinations involving entities not under common control**

The cost of combination and identifiable net assets obtained by the acquirer in a business combination are measured at the fair value at the acquisition date. The excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Costs directly attributable to business combination are included in the profits and losses once incurred. Transaction costs attributed to issue equity securities or debt securities for business combination are recorded into initial recognition amounts of equity securities or debt securities.

## **6. Basis of preparation of consolidated financial statements**

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

Subsidiaries are consolidated from the date when the Group obtains control and are de-consolidated from the date when 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.

When preparing the consolidated financial statements, if 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. Unrealized profits and losses resulting from the sale of assets by the Company to the subsidiary fully eliminate the net profits attributable to equity holders of the parent; unrealized profits and losses resulting from the sale of assets by the subsidiary to the Company are eliminated and allocated between net profit attributable to owners of the parent and minority interests in accordance with the allocation proportion of the Company in the subsidiary. Unrealized profits and losses resulting from the sale of assets by one subsidiary to another are eliminated and allocated between net profit attributable to owners of the parent and minority interests in accordance with the allocation proportion of the parent in the subsidiary.

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. Classification of joint venture arrangements and methods of accounting for joint operation**

### **8. Confirmation standard of cash and cash equivalent**

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

### **9. Translating of foreign currency operations and foreign currency report form**

#### **(a) Foreign currency transactions**

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

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of



qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(b) 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 owners' equity items, the items other than "undistributed profits" are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statements of overseas operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are presented separately in the owners' 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.

## 10. Financial instruments

(a) Financial assets

(i) Classifications of financial assets

Financial assets are classified into the following categories at initial recognition: financial assets at fair value through profit or loss, receivables, available-for-sale financial assets and held-to-maturity investments. The classification of financial assets depends on the Group's intention and ability to hold the financial assets. The Group has no financial assets at fair value through profit or loss and held-to-maturity investments for 2014.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables comprise notes receivable, accounts receivable and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories at initial recognition. Available-for-sale financial assets are included in other current assets on the balance sheet if management intends to dispose of them within 12 months after the balance sheet date.

(ii) Recognition and measurement

Financial assets are recognised at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. The related transaction costs that are attributable to the acquisition of receivables and available-for-sale financial assets are included in their initial recognition amounts.

Available-for-sale financial assets are subsequently measured at fair value. Investments in equity instruments are measured at cost when they do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Receivables are measured at amortised cost using the effective interest method.

Gains or losses arising from change in fair value of available-for-sale financial assets are recognised directly in equity, except for

impairment losses and foreign exchange gains and losses arising from translation of monetary financial assets. When such financial assets are derecognised, the cumulative gains or losses previously recognised directly into equity are recycled into profit or loss for the current period. Interests on available-for-sale investments in debt instruments calculated using the effective interest method during the period in which such investments are held and cash dividends declared by the investee on available-for-sale investments in equity instruments are recognised as investment income, which is recognised in profit or loss for the period.

### (iii) Impairment of financial assets

The Group assesses the carrying amounts of financial assets at each balance sheet date. If there is objective evidence that a financial asset is impaired, an impairment loss is provided for.

Objective evidence indicating impairment of financial assets refers to the matter that actually occurs after the initial recognition of financial assets, it will affect estimated future cash flows of financial assets, and its impact can be reliably measured.

Objective evidence which indicates the occurrence of impairment for available-for-sale equity instruments includes significant or non-temporary decrease of fair value of equity instruments investment. The Group conducts individual inspection on each available-for-sale equity instruments investment at balance sheet date, if the fair value of the available-for-sale equity instrument is less than its initial investment cost for more than 50% (including 50%) or less than its initial investment cost continually for more than 1 year, that means impairment incurred; if the fair value of the available-for-sale equity instrument is less than its initial investment cost for more than 20% (including 20%) but has not reached 50%, the Group will comprehensively consider other factors such as price volatility to determine whether the equity instrument investment has been impaired. The Group calculates the initial investment cost of initial available-for-sale equity instruments investment using the weighted average method.

When an impairment loss on a financial asset carried at amortised cost has occurred, the amount of loss is provided for at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the amount of reversal is recognised in profit or loss.

If an impairment loss on available-for-sale financial assets measured at fair value is incurred, the cumulative losses arising from the decline in fair value that had been recognised directly in shareholders' equity are transferred out from equity and into impairment loss. For an investment in debt instrument classified as available-for-sale on which impairment losses have been recognised, if, in a subsequent period, its fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the previously recognised impairment loss is reversed into profit or loss for the current period. For an investment in an equity instrument classified as available-for-sale on which impairment losses have been recognised, the increase in its fair value in a subsequent period is recognised directly in equity.

### (iv) Derecognition of financial assets

Financial assets are derecognised when: i) the contractual rights to receive the cash flows from the financial assets have expired; or ii) all substantial risks and rewards of ownership of the financial assets have been transferred; or iii) the control over the financial asset has been waived even if the Group does not transfer or retain nearly all of the risks and rewards relating to the ownership of a financial asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and the

cumulative changes in fair value that had been recognised directly in owner's equity, is recognised in profit or loss.

#### (b) Financial liabilities

Financial liabilities are classified into two categories at initial recognition: financial liabilities at fair value through profit or loss and other financial liabilities. The financial liabilities in the Group mainly comprise of other financial liabilities, including payables, borrowings and bonds payable.

Payables comprise accounts payable, notes payable and other payables, which are recognised initially at fair value and measured subsequently at amortised cost using the effective interest method.

Borrowings and bonds payable are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities within one year (including one year) is presented as current liabilities, while non-current financial liabilities due with one year (including one year) is reclassified as non-current liabilities due within one year. Others are presented as non-current liabilities.

A financial liability (or a part of a financial liability) is derecognised when all or part of the obligation is extinguished. The difference between the carrying amount of a financial liability (or a part of financial liability) extinguished and the consideration paid is recognised in the income statement.

#### (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. During valuation, the Group adopts a valuation technique suitable for current situation, which is supported by sufficient available data and other information, chooses the inputs consistent with the feature of assets or liabilities considered in the transaction thereof with market participants, and uses related observable inputs in preference to the greatest extent. Unobservable inputs are used when it is unable to obtain or is infeasible for related observable inputs.

## 11. Recognition standard impairment and receivables

### (1) Bad debt provision on receivable accounts with major amount individually

Basis of recognition or standard amount of Receivables that are individually significant	The basis or amount for individually significant receivables is individually greater than 20 million.
Basis of bad debt provision	Receivables that are individually significant are subject to separate impairment assessment. A provision for impairment of the receivable is recognized if there is objective evidence that the Group will not be able to collect the full amounts according to the original terms.

**(2) Receivables that are provided for provision based on their credit risk characteristics**

Name of the portfolio	Basis of bad debt provision
Portfolio 1	according to percentage of balance method
Portfolio 2	according to percentage of balance method

Accounts on percentage basis in the portfolio:

Applicable    Non-applicable

Name of the portfolio	Percentage of provision for accounts receivable(%)	Percentage of provision for other receivables(%)
Portfolio 1	2%	2%
Portfolio 2	2%	2%

Accounts on other basis in the portfolio:

Applicable    Non-applicable

**(3) The method of provision for impairment of receivables that are individually significant**

Reason for providing bad debt individually:	A provision for impairment of the receivable is recognized if there is objective evidence that the Group will not be able to collect the full amounts according to the original terms.
Basis of bad debt provision:	The provision for impairment of the receivable is established at the difference between the carrying amount of the receivable and the present value of estimated future cash flows.

**12. 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)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 impairment of inventories**

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts 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.

The Group adopts the perpetual inventory system.

### 13. Classified as assets 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 only to terms that are usual and customary for sales of such non-current asset or disposal group; (2) the Group has made a resolution and obtained appropriate approval for disposal of the non-current asset or the disposal group; (3) the Group has signed an irrevocable transfer agreement with the transferee; and (4) the transfer is to be completed within one year.

Non-current assets (except for financial assets 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 the carrying amount. The difference between fair value less costs to sell and the 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, which 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.

### 14. 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. Long-term equity investments where the Group does not have control, joint control or significant influence over the investees, and which are not quoted in an active market and whose fair value cannot be reliably measured are measured using the cost method.

#### a. Initial recognition

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 method of profit or loss

Long-term equity investments accounted for using the cost method are measured at initial investment cost. Cash dividend or profit distribution declared by the investees is recognised as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the investment is initially measured at 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 time of acquisition, the difference is included in profit or loss for the current period and the cost of the long-term equity investment is adjusted upwards accordingly.

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

c. Definition of control, joint control and significant influence over the 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

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

## 15. Fixed assets

### (1) Recognition and initial measurement

Fixed assets comprise buildings, machinery and equipment, motor vehicles, computers and electronic equipment and office equipment. Fixed assets are recognised when it is probable that the related economic benefits will 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 time of acquisition. 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. The carrying amount 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

Categories	Depreciation method	Depreciation age (year)	Salvage Value Rate (%)	Annual depreciation rate (%)
Houses & buildings	straight-line method	20–35	5%	2.71% ~ 4.75%
Equipment & machinery	straight-line method	8–15	5%	4.75%~11.88%
Transportation equipment and others	straight-line method	5–8	0%	12.50%~20%

## 16. Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the fixed assets ready for their intended use. Actual cost also includes net of trial production cost and trial production income before construction in progress is put into production.

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

The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below the carrying amount.

## 17. Borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a fixed 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 a fixed 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 a fixed 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.

## **18. Intangible assets**

### **(1) Pricing of intangible assets**

Intangible assets including land use rights and, patents and exploitation rights, intangible assets 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**

Patents are amortised on a straight-line basis over the patent protection period of 10 years as stipulated by the laws.

#### **(c) Exploitation rights**

Exploitation rights are amortized on a straight-line basis over permitted exploitation periods of 10 years set out 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) If the recoverable amount of intangible asset is less than its carrying value, the carrying value is deducted to recoverable amount.

### **(2) Research and development**

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



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

The development of manufacturing technique has been fully demonstrated by technical team;

The management has approved the budget for the development of manufacturing technique;

There exists research and analysis of pre-market research explaining that products manufactured with such technique are capable of marketing;

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

Other development expenditures that do not meet the conditions above are 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.

## **19. Impairment of long-term assets**

Fixed assets, construction in progress, intangible assets with finite useful lives and long-term equity investments in joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date; intangible assets not ready for their intended use are tested at least annually for impairment, irrespective of whether there is any indication that they may be impaired. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are 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, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts 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.

## **20. 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.

## 21. Employee benefits

### (1) Short-term employee benefits accounting method

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

#### a. Short-term employee benefits

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences. 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 accounting method

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.

#### 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, the relevant local authorities are obliged to pay the basic pensions 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.

### (3) Termination benefits accounting method

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.

## 22. Provisions

Business restructuring, provisions for product warranties, onerous 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.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

## 23. Revenue recognition

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for the Sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of discounts, rebates and returns.

Revenue is recognised when the economic benefits associated with the transaction will flow to the Group, the related revenue can be reliably measured, and the specific revenue recognition criteria have been met for each type of the Group's activities as described below:

### (a) Sale of goods

The Group mainly sells flat and engineer glass, fine glass, and products related to solar energy. For domestic sales, the Group delivers the products to a certain place specified in the contract. When the buyer takes over the goods, the Group recognizes revenue. For export sales, the Group recognizes the revenue when it finished clearing goods for export and deliver the goods on board the vessel, or when the goods are delivered to a certain place specified in the contract. For above sales, when the buyer takes over the goods, the buyer has the right to sell the products, and should bear the risk of price fluctuation or goods damage

### (b) Rendering of services

Revenue is recognized for the rendering of service by the Group to external parties upon the completion of related service.

### (c) Transfer of asset use rights

Interest income is recognized on a time-proportion basis using the effective interest method.

## 24. Government grants

### (1) Judgment basis and accounting method of government grants related to an asset

Government grants are the monetary asset the Group receives from the government for free, including tax refund, government subsidies, etc.

Grants from the government are 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.

Government grants related to an asset refer to the government assets which are obtained by enterprises for the purposes of purchase or construction of, or which form the long-term assets by other ways. Government grants related to income refers to government grants other than those related to assets.

Deferred income is recognized for government grants related to an asset and evenly allocated over the useful life of the related assets, which are recognised in profit or loss for the current period. Government grants measured at nominal amount is directly recognised in profit or loss for current period.

## **(2) Judgment basis and accounting method of government grants related to income**

Government grants related to income, which is used to compensate the costs or losses incurred in future, are recognised as deferred income and recognised in profit or loss over the period in which related costs are recognised.

## **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 are offset when:

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

## 26. Leases

### (1) Accounting method of operating lease

Lease payments under an operating lease are recognised on a straight-line basis over the period of the lease, and are either capitalised as part of the cost of related assets, or charged as an expense for the current period.

Lease income under an operating lease is recognised as revenue on a straight-line basis over the period of the lease.

### (2) Accounting method of financing lease

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is a finance lease. An operating lease is a lease other than financing lease.

## 27. Other significant accounting policies and accounting estimates

The Group continually evaluates the critical accounting estimates and key assumption 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 causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

#### (a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many 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 taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is 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. Realization of deferred income tax is subject to sufficient taxable income that is possible to be obtained by the Group in the future. Change of the future tax rate as well as the reversed time of temporary difference might have effects on tax expense (income) and the balance of deferred tax assets or liabilities. Those estimates may also cause significant adjustment on deferred tax.

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

Long-term assets at the balance sheet date should be subject to impairment testing if there are any indications of impairment. The 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

The 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, the 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. There will be difference between the results of estimation and actual results for next accounting period, so significant adjustments may be made to the carrying amount of fixed assets in balance sheet.

## 28. Changes in significant accounting policies and accounting estimates

### (1) Changes in significant accounting policies

Applicable  Not applicable

### (2) Changes in significant accounting estimates

Applicable  Not applicable

## 29. Others

Safety production reserve

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 reserve on following basis:

- (a) 4% for revenue below RMB 10 million of the year;
- (b) 2% for the revenue between RMB 10 million to RMB 100 million of the year;
- (c) 0.5% for the revenue between RMB 100 million to RMB 1 billion of the year;
- (d) 0.2% for the revenue above RMB 1 billion of the year.

The safety production reserve is mainly used for the overhaul, renewal and maintenance of safety facilities. The safety production costs are charged to costs of related products or profit and loss when appropriated, and safety production reserve 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.

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 revenues 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

Tax items	Tax basis	Tax rate
Value added tax ("VAT")	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less current period's deductible VAT input )	6%-17%
Business tax	Taxable business income amount	5%
Urban construction tax	Total VAT, Business tax and GST	1%-7%
Enterprise income tax	Taxable income	0%-25%
Resource tax	Quantities of Silica sold	RMB 3 per ton
Educational surtax	Total VAT, Business tax and GST	3%-5%

### 2. Tax incentives

The Group's major tax incentives are as follows:

Tianjin Energy Conservation Glass Co. Ltd. was recognised as a high and new tech enterprise in 2015, 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 2015.

Dongguan CSG Architectural Glass Co. Ltd. was recognised as a high and new tech enterprise in 2013, 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 2013. For the Certificate of High and New Tech Enterprise is under review at present, it temporarily calculates enterprise income tax at a tax rate of 15% for current year.

Wujiang CSG North-east Architectural Glass Co., Ltd. passed the review on a high and new tech enterprise in 2014, 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 2014.

Dongguan CSG Solar Glass Co., Ltd. passed the review on a high and new tech enterprise in 2014, 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 2014.

Yichang CSG Polyilicon Co. Ltd. passed the review on a high and new tech enterprise in 2014, 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 2014.

Dongguan CSG PV-tech Co. Ltd. was recognised as a high and new tech enterprise in 2013, 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 2013. For the Certificate of High and New Tech Enterprise is under review at present, it temporarily calculates enterprise income tax at a tax rate of 15% for current year.

Hebei Panel Glass Co., Ltd. was recognised as a high and new tech enterprise in 2013, 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 2013. For the Certificate of High and New Tech Enterprise is under review at present, it temporarily calculates enterprise income tax at a tax rate of 15% for current year.

Wujiang CSG Glass Co. Ltd. was recognised as a high and new tech enterprise in 2014, 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 2014.

Xianning CSG Glass Co. Ltd. was recognised as a high and new tech enterprise in 2014, 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 2014.

Xianning Energy Conservation Glass Co. Ltd. was recognised as a high and new tech enterprise in 2015, 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 2015.

Yichang CSG photoelectric glass Co., Ltd. and Yichang CSG Display Co., Ltd., subsidiaries of ShenZhen Nanbo Display Technology Co., Ltd. were recognised as high and new tech enterprises in 2015, and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. They apply to 15% tax rate for three years since 2015.

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

Qingyuan CSG New Energy Co., Ltd., Suzhou CSG PV Energy Co., Ltd. and Jiangsu Wujiang CSG New Energy Co., Ltd. belong to public infrastructure projects supported by the State pursuant to the No. 87 rules of Enterprise Income Tax Law Implementation Regulations, "and they can enjoy the preferential tax policy of "Three years for free and Three years by half " from 2015. The enterprise income tax rate is 0% for current year.

### **3. Others**

Some subsidiaries of the Group have used the "exempt, credit, refund" method on goods exported and the refund rate is 5%-17%.



## VII. Notes to the consolidated financial statements

### 1. Cash at bank and on hand

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Cash on hand	20,027	20,172
Cash at bank	404,598,881	574,654,753
Other cash balances	5,537,805	4,159,595
Total	410,156,713	578,834,520
Including: Total overseas deposit	2,257,908	4,694,162

Other cash balances include margin deposits for the application of opening letter of credit and loan from the bank, amounting to RMB 5,446,558 (31 Dec. 2015: RMB 4,089,643), which is restricted cash.

### 2. Notes receivable

#### (1) Notes receivable listed by classification

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Bank acceptance notes	179,636,983	186,998,705
Trade acceptance notes	194,270,474	266,547,833
Total	373,907,457	453,546,538

#### (2) Notes receivable which has been endorsed or discounted at the end of the term by the Company but not yet due at balance sheet date

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank acceptance notes	2,016,080,353	
Trade acceptance notes		139,081,700
Total	2,016,080,353	139,081,700

### 3. Accounts receivable

#### (1) Accounts receivable disclosed by category

Unit: RMB

Categories	End of term					Beginning of term				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	581,519,639	100%	11,123,130	2%	570,396,509	461,730,618	100%	8,769,006	2%	452,961,612
Account receivable with minor individual amount but bad debt provision is provided	2,394,626	0%	2,241,625	94%	153,001	710,591	0%	710,591	100%	0
<b>Total</b>	<b>583,914,265</b>	<b>100%</b>	<b>13,364,755</b>	<b>2%</b>	<b>570,549,510</b>	<b>462,441,209</b>	<b>100%</b>	<b>9,479,597</b>	<b>2%</b>	<b>452,961,612</b>

Accounts receivable with large amount individually and bad debt provisions were provided

Applicable  Non-applicable

Accounts receivable on which bad debt provisions are provided on age analyze basis in the portfolio

Applicable  Non-applicable

Accounts receivable on which bad debt provisions are provided on percentage analyze basis in a portfolio

Applicable  Non-applicable

Unit: RMB

Name of portfolio	Closing balance		
	Accounts receivable	Bad debt provision	Proportion %
Portfolio 1	581,519,639	11,123,130	2%
<b>Total</b>	<b>581,519,639</b>	<b>11,123,130</b>	<b>2%</b>

## (2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision during the report period was of RMB 4,137,975. The amount of the reversed or collected part during the report period was of RMB 3,174,282.

## (3) The actual write-off accounts receivable

Unit: RMB

Item	Write-off amount
Accounts receivable	0

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

As at 30 June 2016, the top 5 of the closing balance of the accounts receivable collected according to the arrears party were collected and analyzed as follows:

	Balance	Provision for bad debts	Percentage in total accounts receivable balance
Total balances for the five largest accounts receivable	166,899,672	3,337,993	29%

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

Unit: RMB

Age	Closing balance		Opening balance	
	Amount	Proportion ratio (%)	Amount	Proportion ratio (%)
within 1 year	146,546,136	98%	106,939,220	97%
1-2 years	860,136	1%	2,546,699	2%
2-3 years	1,485,000	1%		
Over 3 years			355,376	1%
Total	148,891,272	--	109,841,295	--

As at 30 June 2016, advances to suppliers ageing over one year amount to RMB 2,345,136 (31 December 2015: RMB 2,902,075). They were mainly the advances of materials, and the payment had not been selected because the materials had not been received.

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

As at 30 June 2016, the top five largest advances to supplies are set out as below:

	Balance	Percentage in total advances balance
Total advances for the five largest advances	45,130,987	30%

**5. Other account receivable****(1) Other accounts receivable disclosed by category:**

Unit: RMB

Categories	Closing balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt	Book value

								provision		
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Other accounts receivable with large amount and provided bad debt provisions individually										
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	209,109,204	100%	550,558	0%	208,558,646	118,598,152	100%	2,373,782	2%	116,224,370
Other accounts receivable with small amount but provided bad debt provisions individually										
<b>Total</b>	<b>209,109,204</b>	<b>100%</b>	<b>550,558</b>	<b>0%</b>	<b>208,558,646</b>	<b>118,598,152</b>	<b>100%</b>	<b>2,373,782</b>	<b>2%</b>	<b>116,224,370</b>

Statement on categories of other receivable accounts:

Other accounts receivable with large amount and were provided bad debt provisions individually at end of period.

Applicable  Non-applicable

Other accounts receivable in the portfolio on which bad debt provisions were provided on age analyze basis

Applicable  Non-applicable

Other accounts receivable in the portfolio on which bad debt provisions were provided on percentage basis

Applicable  Non-applicable

Unit: RMB

Name of portfolio	Closing balance		
	Other receivable accounts	Bad debt provision	proportion%
portfolio 1	209,109,204	550,558	0%
<b>Total</b>	<b>209,109,204</b>	<b>550,558</b>	<b>0%</b>

## (2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision during the report period was of RMB 214,538. The amount of the reversed or collected part during the report period was of RMB 2,056,745.

**(3) Other accounts receivable written-off during the reporting period**

Unit: RMB

Item	written-off amount
Other accounts receivable	0

**(4) Other accounts receivable classified by the nature of accounts**

Unit: RMB

Nature	Closing balance	Opening balance
Share transfer receivable	150,000,000	
Payments made on behalf of other parties	27,996,265	12,865,719
Subsidy fund receivable	20,000,000	
Deposits	6,788,385	10,341,895
Petty cash	1,343,860	1,014,999
Export tax rebates receivable	770,716	1,995,748
Amounts due from related parties		90,436,480
Others	2,209,978	1,943,311
<b>Total</b>	<b>209,109,204</b>	<b>118,598,152</b>

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

Unit: RMB

Name of the companies Industrial	Nature	Closing balance	Ages	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
Company A	Independent third party	150,000,000	Within 1 year	72%	
Company B	Independent third party	20,000,000	Within 1 year	10%	
Company C	Independent third party	11,067,754	Within 1 year	5%	221,355
Company D	Independent third party	8,075,302	Within 1 year	4%	161,506
Company E	Independent third party	3,183,030	Within 1 year	2%	63,661
<b>Total</b>	--	<b>192,326,086</b>	--	<b>93%</b>	<b>446,522</b>

## 6. Inventories

### (1) Categories of inventory

Unit: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Raw materials	168,522,304	8,259,903	160,262,401	136,073,385	1,988,441	134,084,944
Product in process	21,086,073		21,086,073	12,201,768		12,201,768
Products in stock	204,116,797	1,422,381	202,694,416	169,850,460	21,650	169,828,810
Material in circulation	27,982,256		27,982,256	34,310,210		34,310,210
Total	421,707,430	9,682,284	412,025,146	352,435,823	2,010,091	350,425,732

### (2) Inventory impairment provision

Unit: RMB

Categories	Opening balance	Increased this term		Decreased this term		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	1,988,441		8,583,232	2,311,770		8,259,903
Products in stock	21,650		1,693,711	292,980		1,422,381
Total	2,010,091		10,276,943	2,604,750		9,682,284

## 7. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
VAT to be offset	197,601,704	101,333,684
Prepaid enterprise income tax	12,330,447	17,025,433
Total	209,932,151	118,359,117

## 8. Long-term account receivable

### (1) Long-term account receivable

Unit: RMB

Items	Closing balance	Opening balance	Discount rate
-------	-----------------	-----------------	---------------

	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value	interval
Financing lease				50,104,299		50,104,299	
Total				50,104,299		50,104,299	--

## 9. Long-term equity investment

Unit: RMB

Investee	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additio nal investm ent	Reduc ed invest ment	Gains and losses recognized under the equity method	Adjustme nt of other comprehe nsive income	Changes of other equity	Cash bonus or profits announce d to issue	Withdra wal of impairm ent provisio n	Other		
I. Joint ventures											
II. Associated enterprises											
Shenzhen CSG Display Technology Co., Ltd	668,210,253			-14,264,359		81,142				-654,027,036	0
Subtotal	668,210,253			-14,264,359		81,142				-654,027,036	0
Total	668,210,253			-14,264,359		81,142				-654,027,036	0

## 10. Fixed assets

### (1) Particulars of fixed assets

Unit: RMB

Items	Buildings	Machinery and equipment	Motor vehicles and others	Total
I. Original book value:				
1. Opening balance	3,355,091,235	9,984,689,080	183,896,384	13,523,676,699
2. Increased amount of the period				
(1) Acquisition	3,111,276	4,339,811	1,566,364	9,017,451
(2) Transfers from construction in progress	159,747,369	738,974,967	2,930,001	901,652,337
(3) Increase from enterprise combination	236,895,673	663,288,661	12,985,384	913,169,718

(4) Other	9,234,322	7,422,076	804,334	17,462,732
3. Decreased amount of the period				
(1) Disposal or retirement		165,662	1,485,981	1,651,643
4. Closing balance	3,764,079,875	11,398,548,933	200,698,486	15,363,327,294
II. Accumulative depreciation and accumulative amortization				
1. Opening balance	503,153,539	2,478,151,198	150,403,266	3,131,708,003
2. Increased amount of the period				
(1) Withdrawal	55,468,992	356,231,713	10,292,917	421,993,622
(2) Increase from enterprise combination	12,322,096	74,428,901	4,993,352	91,744,349
3. Decreased amount of the period				
(1) Disposal or retirement		143,830	1,473,211	1,617,041
4. Closing balance	570,944,627	2,908,667,982	164,216,324	3,643,828,933
III. Depreciation reserves				
1. Opening balance		192,293,767		192,293,767
2. Increased amount of the period				
(1) Withdrawal				
(2) Increase from enterprise combination		22,661,350		22,661,350
3. Decreased amount of the period				
(1) Disposal or retirement				
4. Closing balance		214,955,117		214,955,117
IV. Book value				
1. Closing book value	3,193,135,248	8,274,925,834	36,482,162	11,504,543,244
2. Opening book value	2,851,937,696	7,314,244,115	33,493,118	10,199,674,929

**(2) Fixed asset not licensed yet**

Unit: RMB

Items	Book value	Reason for not granted
Buildings	1,000,854,624	Have submitted the required documents and are in the process of application, or the related land use right certificate pending



## 11. Construction in process

### (1) Particulars of construction in process

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Hebei float 900T tech-innovation project	263,731,709		263,731,709	219,284,657		219,284,657
Flat display project of Shenzhen Display	229,719,530	14,160,474	215,559,056	0		0
Dongguan PV Tech 200MW PV-tech Cell Expansion project	138,128,566		138,128,566	138,128,566		138,128,566
Yichang CSG electronic grade polysilicon upgrading and expansion project	87,115,370		87,115,370	6,426,987		6,426,987
Dongguan Solar Glass Phase I and II improvement project	78,769,781	33,075,116	45,694,665	78,769,781	33,075,116	45,694,665
Wujiang float glass project	72,780,268	19,876,460	52,903,808	71,554,818	19,876,460	51,678,358
Chengdu Float 550T line tech-renovation	66,813,524		66,813,524	66,834,070		66,834,070
Zhangzhou Kibing 11MV distributed PV power plant project	50,050,000		50,050,000			
Expansion project of 150MW cell production line in Dongguan CSG	55,153,387		55,153,387			

PV-tech						
Xianning energy-saving glass project	14,081,164		14,081,164	13,392,938		13,392,938
Sichuan energy-saving project Phase III	12,716,479		12,716,479	12,700,388		12,700,388
Wujiang Photovoltaic packaging materials project	2,173,945		2,173,945	4,054,084		4,054,084
Yichang 700MW silicon cell expansion project	2,379,639		2,379,639	2,417,282		2,417,282
Qingyuan high-performance ultrathin electronic glass project	1,034,372		1,034,372	491,656,054		491,656,054
Chengdu Float 700T line tech-renovation				223,787,831		223,787,831
Others	82,758,916		82,758,916	63,284,900		63,284,900
<b>Total</b>	<b>1,157,406,650</b>	<b>67,112,050</b>	<b>1,090,294,600</b>	<b>1,392,292,356</b>	<b>52,951,576</b>	<b>1,339,340,780</b>

**(2) Movement of significant project**

Unit: RMB

Projects	Budget	Opening balance	Increased this term	Transferred into fixed assets	Other decreases	Closing balance	Investment on budget (%)	Progress	Accumulate of interest capitalized	Including: interest capitalized this term	Capitalizing rate of interest this period %	Fund recourse
Qingyuan high-performance ultrathin electronic glass project	471,660,000	491,656,054	72,213,589	562,835,271		1,034,372	99%	100%	15,471,799	4,186,057	4.54%	Internal fund and bank loan
Chengdu Float 700T line tech-renovation	106,053,391	223,787,831	30,414,876	221,459,190	32,743,517	0	89%	100%	778,377			Internal fund and bank loan
Hebei float 900T tech-innovation project	124,000,000	219,284,657	44,447,052			263,731,709	51%	80%				Internal fund
Dongguan PV Tech 200MW PV-tech Cell Expansion project	697,000,000	138,128,566				138,128,566	96%	100%	32,015,800			Internal fund and bank loan
Dongguan Solar Glass Phase I and II improvement project	396,410,000	78,769,781				78,769,781	80%	80%				Internal fund
Wujiang float glass project	845,630,000	71,554,818	4,215,530	2,990,080		72,780,268	99%	99%	20,120,444			Internal fund and bank loan
Chengdu Float 550T line tech-renovation	200,000,000	66,834,070			20,546	66,813,524	2%	2%				Internal fund

Xianning energy-saving glass project	295,270,606	13,392,938	4,452,100	2,580,343	1,183,531	14,081,164	99%	100%	11,306,278			Internal fund and bank loan
Sichuan energy-saving project Phase III	222,817,517	12,700,388	16,091			12,716,479	95%	99%				Internal fund
Wujiang Photovoltaic packaging materials project	500,000,000	4,054,084	14,443,571	16,323,710		2,173,945	87%	100%	6,321,397			Internal fund and bank loan
Yichang 700MW silicon cell expansion project	1,980,000,000	2,417,282	45,107,289	45,144,932		2,379,639	81%	100%	17,594,454	248,796	4.18%	Internal fund and bank loan
Zhangzhou Kibing 11MV distributed PV power plant project	76,500,000		50,050,000			50,050,000	70%	70%				Internal fund and bank loan
Flat display project of Shenzhen Display	1,970,000,000		239,997,183	10,277,653		229,719,530	43%	50%	165,025	165,025	5.03%	Internal fund and bank loan
Yichang CSG electronic grade polysilicon upgrading and expansion project	613,220,000	6,426,987	80,688,383			87,115,370	13%	45%	412,848	412,848	4.18%	Internal fund and bank loan
Expansion project of 150MW cell production line in Dongguan CSG PV-tech	168,100,000		55,153,387			55,153,387	33%	40%	699,768	699,768	4.15%	Internal fund and bank loan
Others	2,451,133,457	63,284,900	59,515,174	40,041,158		82,758,916			19,530,521	470,897	4.18%	Internal fund and bank loan
Total	11,117,794,971	1,392,292,356	700,714,225	901,652,337	33,947,594	1,157,406,650	--	--	124,416,711	6,183,391		--

## 12. Intangible assets

### (1) Particulars of intangible assets

Unit: RMB

Item	Land use rights	Patents	Non-patent technology	Mineral rights	Others	Total
I. Original book value:						
1. Opening balance	859,283,718	135,523,184		4,456,536	23,246,513	1,022,509,951
2. Increased amount of the period						
(1) Acquisition	3,878,226				41,416	3,919,642
(2) Internal R &D		9,134,292				9,134,292
(3) Increase from enterprise combination	143,856,217	99,984,930			375,886	244,217,033
3. Decreased amount of the period						
(1) Disposal						
4. Closing balance	1,007,018,161	244,642,406		4,456,536	23,663,815	1,279,780,918
II. Total accrued amortization						
1. Opening balance	100,590,100	43,606,821		2,905,442	15,958,297	163,060,660
2. Increased amount of the period						
(1) Withdrawal	8,932,936	5,017,253		200,321	2,164,913	16,315,423
Increase from enterprise combination	9,611,444	1,065,029			247,681	10,924,154
3. Decreased amount of the period						
(1) Disposal						
4. Closing balance	119,134,480	49,689,103		3,105,763	18,370,891	190,300,237
III. Impairment provision						
1. Opening balance		13,201,347			9,133	13,210,480
2. Increased amount of the period						
(1) Withdrawal						
3. Decreased amount of the period						
(1) Disposal						

4. Closing balance		13,201,347			9,133	13,210,480
IV. Book value						
1. Closing book value	887,883,681	181,751,956		1,350,773	5,283,791	1,076,270,201
2. Opening book value	758,693,618	78,715,016		1,551,094	7,279,083	846,238,811

At the end of the period, the intangible assets arising from internal research and development accounted for 8.27% of total of intangible assets.

## (2) Land use right not licensed yet

Unit: RMB

Item	Book value	Reason for not granted
Land	9,652,536	in the process

During Jan.-Jun. 2016, the amortisation of intangible assets amounted to RMB 16,315,423 (Jan.-Jun. 2015: RMB 16,350,879).

As at 30 June 2016, ownership certificates of land use right (“Land ownership Certificates”) for certain land use rights of the Group with carrying amounts of approximately RMB 9,652,536 (cost: RMB10,236,443) had not yet been obtained by the Group (as at 31 December 2015, carrying amount: RMB 5,179,819, cost: RMB 5,650,712). The Company’s management is of the view that there is no legal restriction for the Group to apply for and obtain the Land Ownership Certificates and has no adverse effect on the Group’s business operation.

## 13. Development expenditure

Unit: RMB

Item	Opening balance	The increased amount in the period			The decrease amount in the period			Closing balance
		Internal development expenditure	Others		Recognised as intangible assets	Transfer in gains and losses		
Development expenditure	26,280,426	29,033,215			9,134,292	1,314,785		44,864,564
Total	26,280,426	29,033,215			9,134,292	1,314,785		44,864,564

During Jan.-Jun. 2016, the total amount of research and development expenditures of the Group was RMB 171,627,628 (Jan.-Jun. 2015: RMB 130,265,531), including RMB 143,909,198 (Jan.-Jun. 2015: RMB 118,636,645) recorded in income statement for current period and RMB 9,134,292 were recognized as intangible assets (Jan.-Jun. 2015: nil). As at 30 June 2016, the intangible assets arising from internal research and development accounted for 8.27% of the total of book value of intangible assets (31 December 2015: 9.44%).

## 14. Goodwill

### (1) Book value of goodwill

Unit: RMB

Name of the companies or goodwill item	Opening balance	Increased this term		Decreased this term		Closing balance
		Arising from enterprise merger		Disposal		
Tianjing Architecture	3,039,946					3,039,946
Shenzhen Display Company		714,491,929				714,491,929
Xianning Fengwei Company		4,857,406				4,857,406
<b>Total</b>	<b>3,039,946</b>	<b>719,349,335</b>				<b>722,389,281</b>

### 15. Long-term expenses to be amortized

Unit: RMB

Item	Opening balance	Increased this term	Amortized this term	Other decrease	Closing balance
Expenses to be amortized	1,597,865	207,588	524,005		1,281,448
<b>Total</b>	<b>1,597,865</b>	<b>207,588</b>	<b>524,005</b>		<b>1,281,448</b>

### 16. Deferred income tax asset/deferred income tax liabilities

#### (1) Deferred income tax assets had not been off-set

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for asset impairments	381,381,771	57,970,029	334,825,820	52,780,849
profit on paper from internal transaction				
Deductible loss	234,680,876	52,775,430	322,298,445	62,556,980
Government grants	123,771,641	21,015,163	146,503,008	25,717,201
Accrued expenses	25,862,973	3,879,446	38,018,222	5,740,840
Depreciation of fixed assets	26,007,065	4,421,201	30,352,519	6,285,954
<b>Total</b>	<b>791,704,326</b>	<b>140,061,269</b>	<b>871,998,014</b>	<b>153,081,824</b>

#### (2) Deferred income tax liabilities had not been off-set

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary	Deferred income tax	Deductible temporary	Deferred income tax

	difference	liabilities	difference	liabilities
Non identical control enterprise merger assets appraisal value added	73,142,728	11,277,482		
Changes in fair value of available-for-sale financial assets				
Depreciation of fixed assets	231,919,490	45,456,220	248,051,984	52,277,180
Total	305,062,218	56,733,702	248,051,984	52,277,180

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

Unit: RMB

Item	Off-set amount of deferred income tax assets and liabilities at the period-end	Closing balance of deferred income tax assets or liabilities after off-set	Off-set amount of deferred income tax assets and liabilities at the period-beginning	Opening balance of deferred income tax assets or liabilities after off-set
Deferred tax assets	36,395,246	103,666,023	42,745,608	110,336,216
Deferred tax liabilities	36,395,246	20,338,456	42,745,608	9,531,572

### (4) Details of unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences		
Deductible losses	77,770,054	7,554,574
Total	77,770,054	7,554,574

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

Unit: RMB

Year	Closing balance	Opening balance	Note
Year of 2016	5,224,377	5,224,377	
Year of 2020	2,330,197	2,330,197	
Year of 2021	70,215,480		
Total	77,770,054	7,554,574	--



**17. Other non-current assets**

Unit: RMB

Item	Closing balance	Opening balance
Prepayment for engineering equipment and software upgrading	91,381,154	58,073,451
Prepayment of land premium	6,510,000	6,510,000
<b>Total</b>	<b>97,891,154</b>	<b>64,583,451</b>

**18. Short-term loans****(1) Categories of short-term loans**

Unit: RMB

Item	Closing balance	Opening balance
Pledge loan		
Mortgage loan		
Guaranteed loan	285,750,757	122,998,916
Unsecured loan	549,100,250	193,327,754
Short-term finance bonds (ii)	400,000,000	1,000,000,000
Ultra-short-term finance bonds (iii)	2,800,000,000	1,900,000,000
<b>Total</b>	<b>4,034,851,007</b>	<b>3,216,326,670</b>

(i) As at 30 June 2016, short-term loans of certain subsidiaries of the Company amounting to RMB 215,750,757 (31 December 2015: RMB 122,998,916) were guaranteed by the Company. It didn't exist that the minority shareholders of the subsidiaries provided a back to back guarantee to the Company. (31 December 2015: nil).

(ii) Approved by file No. [2014]CP11 of Inter Bank Market Trading Association, the Company is entitled to issue short-term financing bonds with the limit of RMB 1,100,000,000, which expires on 14 January 2016.

The Company issued short-term financing bonds of RMB 600,000,000 on 24 April 2015 for the first time in 2015. The bonds above matured on 23 April 2016, with an annual interest rate of 4.28%. Up to the disclosure date of this financial statement, the bonds above have been repaid.

The Company issued short-term financing bonds of RMB 400,000,000 on 18 September 2015 for the second time in 2015. The bonds above matured on 17 September 2016, with an annual interest rate of 3.5%.

(iii) Approved by file No. [2015]SCP163 of Inter Bank Market Trading Association, the Company is entitled to issue ultra-short-term financing bonds with the limit of RMB 4,000,000,000, which expires on 28 May 2017.

The Company issued ultra-short-term financing bonds of RMB 800,000,000 on 15 June 2015 for the first time in 2015. The bonds above matured on 11 March 2016, with an annual interest rate of 4.25%. Up to the disclosure date of this financial statement, the bonds above have been repaid.

The Company issued ultra-short-term financing bonds of RMB 1,100,000,000 on 15 October 2015 for the second time in 2015. The bonds above matured on 11 July 2016, with an annual interest rate of 3.81%. Up to the disclosure date of this financial statement, the bonds above have been repaid.

The Company issued ultra-short-term financing bonds of RMB 800,000,000 on 11 March 2016 for the first time in 2016. The bonds above matured on 6 December 2016, with an annual interest rate of 3.15%.

The Company issued ultra-short-term financing bonds of RMB 900,000,000 on 19 May 2016 for the second time in 2016. The bonds above matured on 13 February 2017, with an annual interest rate of 4.18%.

(iv) As at 30 June 2016, the interest of short-term borrowings varied from 2.70% to 5.06% (31 December 2015: 2.99% to 5.35 %).

## 19. Notes payable

Unit: RMB

Category	Closing balance	Opening balance
Trade acceptance		
Bank acceptance notes	6,014,869	8,000,000
Total	6,014,869	8,000,000

## 20. Accounts payable

### (1) Particulars of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Account payable for materials	623,653,165	463,007,059
Account payable for equipments	246,679,408	254,823,632
Account payable for constructions	194,470,527	128,382,224
Account payable for freight	36,465,642	35,445,881
Account payable for water and electricity	30,363,218	26,077,686
Others	5,052,754	7,529,569
Total	1,136,684,714	915,266,051

**(2) Significant accounts payable due for over one year**

Unit: RMB

Item	Closing balance	Unpaid reason
Account payable for construction and equipments.	173,040,403	As the construction work had not passed the final acceptance test yet, the balance was not yet settled.
Total	173,040,403	--

**21. Advances from customers****(1) List of advance from customers**

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers	148,319,760	117,434,636
Total	148,319,760	117,434,636

**22. Employee benefits payable****(1) List of Employee benefits payable**

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
I. Short-term employee benefits	170,538,391	489,013,082	519,788,052	139,763,421
II. Welfare after departure- defined contribution plans	1,222	43,691,696	43,233,818	459,100
Total	170,539,613	532,704,778	563,021,870	140,222,521

**(2) List of short-term employee benefits**

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
1. Wages and salaries, bonuses, allowances and subsidies	118,460,821	399,909,037	424,593,730	93,776,128
2. Employee services and benefits				
3. Social security contributions	688	17,554,753	17,331,984	223,457

Including: Medical insurance	547	14,605,546	14,408,646	197,447
Work injury insurance	110	1,942,962	1,927,527	15,545
Maternity insurance	31	1,006,245	995,811	10,465
4. Housing funds	2,153,760	20,234,106	20,405,201	1,982,665
5. Labour union funds and employee education funds	14,483,122	7,565,186	5,257,137	16,791,171
6. Short-term paid absences				
7. Short-term profit sharing plan				
Management bonus for performance	35,440,000	43,750,000	52,200,000	26,990,000
Total	170,538,391	489,013,082	519,788,052	139,763,421

### (3) List of defined contribution plans payable

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
1. Basic pensions	1,051	41,066,343	40,629,829	437,565
2. Unemployment insurance	171	2,625,353	2,603,989	21,535
3. Enterprise annuity payment				
Total	1,222	43,691,696	43,233,818	459,100

According to the decision of the fifth meeting of the seventh session of the board of directors held on 31 March 2015, the Board approved that it will appraise the management team based on quarterly net assets income rate and reward the management team by taking quarterly total net profit after tax as the base. The Group withheld management performance award of RMB 43,750,000 (Jan.-Jun. 2015: nil).

### 23. Tax payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added-tax payable	46,225,543	31,442,580
Corporate income tax payable	24,137,275	71,805,502
Individual income tax payable	5,588,188	2,252,413
Urban maintenance and construction tax	1,982,575	1,602,050
Urban maintenance and construction tax	8,136,991	7,134,641
Education surcharge	2,230,791	1,976,366

Others	4,619,489	3,612,625
<b>Total</b>	<b>92,920,852</b>	<b>119,826,177</b>

## 24. Interest payable

Unit: RMB

Item	Closing balance	Opening balance
Interest payable for long-term borrowings	2,134,414	920,625
Interest for corporate bonds	37,309,995	10,660,000
Interest payable for short-term borrowings	2,394,930	1,124,981
The debt of preference shares/perpetual bonds classified as financial liabilities		
Medium-term notes	56,232,000	27,622,300
Short-term financing bonds	11,000,000	21,611,000
Ultra-short-term financing bonds	43,256,249	27,424,900
Others		
<b>Total</b>	<b>152,327,588</b>	<b>89,363,806</b>

## 25. Other account payable

### (1) List of other account payable by nature

Unit: RMB

Item	Closing balance	Opening balance
Guarantee deposits received from construction contractors	53,960,007	55,047,908
Accrued cost of business and expensure	93,212,777	37,260,225
Temporary receipts	20,052,365	24,660,996
Payable for contracted labour costs	13,518,479	13,675,896
Deposit for disabled	4,893,292	4,509,243
Withholding individual income tax	5,189,272	
Government interest free loans	5,000,000	
Others	8,915,099	7,866,787
<b>Total</b>	<b>204,741,291</b>	<b>143,021,055</b>

## 26. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowing due within 1year	217,500,000	239,000,000
Bonds payable due within 1year		
Long-term accounts payable within one year		
Total	217,500,000	239,000,000

## 27. Other current liability

Unit: RMB

Items	Closing balance	Opening balance
Short-term bonds payable		
Others	300,000	300,000
Total	300,000	300,000

## 28. Long-term borrowings

### (1) Categories of long-term borrowings

Unit: RMB

Items	Closing balance	Opening balance
Pledge loan		
Mortgage loan		
Guaranteed loan	202,000,000	
Unsecured loan		
Medium-term notes	1,200,000,000	1,200,000,000
Total	1,402,000,000	1,200,000,000

Approved by file No. [2015] MTN225 of Inter Bank Market Trading Association, the Company is entitled to issue medium-term notes with the limit of RMB 1,200,000,000, which expires on 28 May 2017.

The Company issued medium-term notes of RMB 1,200,000,000 on 14 July 2015 for the first time in 2015. The notes above matured on 14 July 2020, with an annual interest rate of 4.94%.

As at 30 June 2016, the interest of long term borrowings varied from 4.75% to 4.94% (31 December 2015: 4.94%).

**29. Bonds payable****(1) Bonds payable**

Unit: RMB

Items	Closing balance	Opening balance
Corporate bonds	1,000,000,000	1,000,000,000
Total	1,000,000,000	1,000,000,000

**30. Deferred revenue**

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance	reason
Government grants	383,599,103	80,057,829	25,090,452	438,566,480	
Total	383,599,103	80,057,829	25,090,452	438,566,480	--

Government grants are analysed below:

Unit: RMB

Item in debt	Opening balance	Increase in current period	Included in non-business income	Other changes	Closing balance	Related to assets or income
Tianjin CSG Golden Sun Project (i)	60,466,903		1,687,446		58,779,457	Related to assets
Dongguan CSG Golden Sun Project (ii)	48,830,250		1,375,500		47,454,750	Related to assets
Hebei CSG Golden Sun Project (iii)	49,500,000		1,375,000		48,125,000	Related to assets
Xianning CSG Golden Sun Project (iv)	54,043,917		1,515,250		52,528,667	Related to assets
Infrastructure compensation for Wujiang CSG Glass Co., Ltd (v)	47,711,973		2,020,769		45,691,204	Related to assets
Qingyuan Energy-saving project (vi)	24,700,000		205,833		24,494,167	Related to assets
Yichang Polysilicon products project (vii)	27,421,875		1,406,250		26,015,625	Related to assets
Yichang CSG silicon slice auxiliary project (viii)	15,118,343	600,000	630,914		15,087,429	Related to assets
Sichuan energy-saving glass	13,783,500		827,010		12,956,490	Related to assets

project (ix)						
Group coating film experimental project (x)	10,543,800		754,380		9,789,420	Related to assets
Shenzhen Display Technology Co., Ltd. project(xi)			190,129	51,097,829	50,907,700	Related to assets
Others	31,478,542	28,360,000	13,101,971		46,736,571	Related to assets and income
Total	383,599,103	28,960,000	25,090,452	51,097,829	438,566,480	--

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

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

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

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

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

(vi)The allowance was a pilot project for strategic emerging industry clusters development, which was used to establish high performance ultra-thin electronic glass production lines by Qingyuan CSG. The Project was under construction.

(vii)The balance represented amounts granted to Yi Chang CSG Polyilicon Materials Co., Ltd. ("Yichang Silicon") by Yichang City Dongshan Development Corporation under the provisions of the investment contract signed between the Group and the Municipal Government of Yi Chang. The proceeds were designed for the construction of electricity transformer and the pipelines. Yichang Silicon is entitled to the ownership of the facilities, which will be amortised by 15 years according to the useful life of the converting station.

(viii)It represented the government supporting fund obtained by Yichang Polyilicon from the acquiring of the assets and liabilities of Crucible project of Yichang Hejing Photoelectric Ceramic Co., Ltd. The proceeds would be amortised and credited to income statement by 15 years after related assets were put into use.



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

(x) The allowance was granted by Shenzhen City Development and Reform Commission for the development of Group Coating Film experimental project. The grant will be amortised and credited to income statement by 20 years in the estimated useful life of the relevant fixed assets.

(xi) It presented changes in consolidation scope. Shenzhen Display Technology Co., Ltd. was included in the consolidation scope of the Company, thereby leading to an increase in the deferred income of Shenzhen Display Technology Co., Ltd. project.

### 31. Share Capital

Unit: RMB

	Opening balance	Changed in the report period (+,-)					Closing balance
		Issuing of new shares	Bonus shares	Transferred from reserves	Others	Sub-total	
Total of capital shares	2,075,335,560						2,075,335,560

### 32. Capital surplus

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
Capital premium	1,345,264,670			1,345,264,670
Other capital surplus	-83,873,398	262,668	1,172,480	-84,783,210
Total	1,261,391,272	262,668	1,172,480	1,260,481,460

The reason for the decrease of Capital reserve - other in current year is the acquisition of minority interest, with the detail as follows:

(i) On 1 January 2016, the Company purchased 25% of the equities of Yingde Quartz Sand Processing Co., Ltd., the subsidiary of the Company, from Guangdong Guanda Petrification Co., Ltd. The share transfer procedures were completed on 8 January 2016, and the Company thus held 100% equities of Yingde quartz sand processing Co., Ltd. The adjustment to capital surplus due to such transaction is set out as below:

Acquisition cost—	
Cash paid for acquisition of minority interests	4,250,000
Less: Share of identifiable net assets in the subsidiary continually calculated at the proportion of increased part of shares which the Company is entitled to as of the date of consolidation	3,077,520
Decrease capital surplus of the Group's consolidated statements	1,172,480

## 33. Other comprehensive income

Unit: RMB

Item	Opening balance	Occurring in current period					Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: income tax expense	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
II. Other comprehensive income can not be reclassified into profit and loss in future							
II. Other comprehensive income reclassified into profit and loss in future	2,967,772	508,053			508,053		3,475,825
Including: the share of other comprehensive income which is reclassified into profit and loss in future by invested unit under the equity method							
Gains or losses arising from changes in fair value of available-for-sale financial assets							
Investments held to maturity reclassified as available for sale financial assets gains and losses							
Effective part of cash flow hedging profit and loss							
Differences on translation of foreign currency financial statements	417,772	508,053			508,053		925,825
Finance incentives for energy and technical transformation	2,550,000						2,550,000
Total of other comprehensive income	2,967,772	508,053			508,053		3,475,825

**34. Special reserves**

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
Safety production cost	15,437,498	3,465,325	5,136,607	13,766,216
<b>Total</b>	<b>15,437,498</b>	<b>3,465,325</b>	<b>5,136,607</b>	<b>13,766,216</b>

**35. Surplus reserves**

Unit: RMB

Items	Beginning of term	Increased this term	Decreased this term	End of term
Statutory surplus reserve	754,119,762			754,119,762
Discretionary surplus reserve	127,852,568			127,852,568
Reserve fund				
Venture expansion fund				
Others				
<b>Total</b>	<b>881,972,330</b>			<b>881,972,330</b>

Statement on surplus reserves:

According to the PRC Corporation Law and the regulation of the Company, the Company must accrue statutory surplus reserve at the amount of 10% of the net profit until when the accumulated statutory surplus reserve reached at least 50% of the capital. After the Company obtained the approval from shareholders' meeting, the statutory surplus reserve can be used to make up the loss, or to increase the capital. The Company didn't accrue statutory surplus reserve in the report period. (2015: as accrued statutory surplus reserve at the amount of 10%, RMB 51,199,599 in total).

The appropriation to discretion surplus reserve shall be proposed by the board of the directors of the Company and approved by the annual general meeting of the shareholders. The discretion can be utilized to offset the deficit or increase the share capital. The Company did not appropriate to discretion surplus reserve during the report period.

**36. Retained earnings**

Unit: RMB

Items	The current period	The same period of last year
Retained earnings at the end of last year before adjustment	3,637,206,565	4,101,320,834
Retained earnings at the beginning of this year after adjustment	3,637,206,565	4,101,320,834
Add: net profits belonging to equity holders of the Company	466,883,254	205,767,344

Less: Dividends payable	622,600,668	1,037,667,780
Retained earnings in the end	3,481,489,151	3,269,420,398

List of adjustment of opening retained profits:

- 1) RMB 0 opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMB 0 opening retained profits was affected by changes on accounting policies.
- 3) RMB 0 opening retained profits was affected by correction of significant accounting errors.
- 4) RMB 0 opening retained profits was affected by changes in combination scope arising from same control.
- 5) RMB 0 opening retained profits was affected totally by other adjustments.

### 37. Revenue and cost

Unit: RMB

Item	Occurred in current term		Occurred in previous term	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	4,184,209,383	3,052,534,128	3,288,940,455	2,633,737,214
Revenue from other operations	43,956,259	24,284,375	34,099,047	12,283,496
Total	4,228,165,642	3,076,818,503	3,323,039,502	2,646,020,710

### 38. Tax and surcharge

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Business tax	138,749	46,887
City maintenance and construction tax	12,602,639	6,011,224
Educational surcharge	10,367,308	5,740,579
Others	275,976	349,544
Total	23,384,672	12,148,234

### 39. Selling Expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Freight expenses	59,381,190	61,321,659
Employee benefits	43,288,837	45,338,403
Entertainment expenses	5,179,120	6,054,706
Travelling expenses	4,811,124	5,361,529
Vehicle use fee	3,414,236	3,684,785

Rental expenses	2,588,324	2,727,898
General office expenses	2,001,995	2,273,989
Compensation	415,313	1,129,260
Depreciation expenses	506,576	619,699
Others	6,978,116	7,950,590
<b>Total</b>	<b>128,564,831</b>	<b>136,462,518</b>

#### 40. Administrative Expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Employee benefits	113,606,280	61,211,246
Research and development expenses	143,909,198	118,636,645
Taxation Expenses	27,705,569	26,466,641
Depreciation expenses	10,839,919	12,191,437
General office expenses	10,148,252	10,083,571
Amortisation of intangible assets	16,315,423	16,350,879
Water and electricity expense	5,086,006	3,926,447
Canteen costs	3,667,235	3,103,106
Travelling expenses	4,446,174	3,140,356
Rental expenses	1,403,376	2,436,882
Vehicle use fee	2,527,549	2,259,201
Entertainment expenses	3,889,174	3,007,056
Labour union funds	4,948,671	5,447,319
Others	10,444,680	14,107,303
<b>Total</b>	<b>358,937,506</b>	<b>282,368,089</b>

#### 41. Finance Expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Loan interest	134,008,214	142,044,190
Less: interest in construction in progress	6,183,391	14,279,994
Interest expenses	127,824,823	127,764,196
Amortization of corporate bond issue costs		2,631,954
Less: Interest income	3,301,921	1,390,764

Exchange losses	4,217,530	-280,387
Others	4,612,961	4,017,465
Total	133,353,393	132,742,464

#### 42. Asset impairment loss

Unit: RMB

Items	Occurred in current term	Occurred in previous term
I. Provision for bad debts	-878,514	4,759,309
2. Provision for inventory depreciation	-46,858	
Total	-925,372	4,759,309

#### 43. Investment income

##### (1) Details of investment income

Unit: RMB

Items	Occurred in current term	Occurred in previous term
long-term equity investment accounted by equity method	-14,264,359	-14,452,010
Gain from disposal of equity interests		66,812
Cash dividend earned during the holding period of available-for-sale financial assets		60,372
Gain from disposal of available-for-sale financial assets		56,779,276
Total	-14,264,359	42,454,450

#### 44. Non-operating income

Unit: RMB

Items	Occurred in current term	Occurred in previous term	Amount of non-recurring gain and loss included in the report period
Total of gains from disposal of non-current assets	248,642	2,675,438	248,642
Incl.: Gain on disposal of fixed assets	248,642	2,675,438	248,642
Government grants	47,606,029	42,944,737	47,606,029
Compensation income	462,552	547,445	462,552
Funds unpayable	171,592	26,682,486	171,592
Others	1,549,549	3,305,865	1,549,549
Total	50,038,364	76,155,971	50,038,364

Government grants included in current profit and loss:

Unit: RMB

Items	Occurred in current term	Occurred in previous term	Related to assets or income
Government grants amortization	25,090,452	26,540,323	Related to assets and income
Industry supporting fund	17,039,604	10,000,000	Related to income
Subsidies for research and development	4,132,899	2,316,000	Related to income
Interest subsidies for technical transformation		1,991,455	Related to income
Advanced energy saving		940,000	Related to income
Government awards fund	1,146,074	912,399	Related to income
Energy saving subsidy	30,000		Related to income
Others	167,000	244,560	Related to income
<b>Total</b>	<b>47,606,029</b>	<b>42,944,737</b>	<b>--</b>

#### 45. Non-operating expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term	Amount of non-recurring gain and loss included in the report period
Total of loss from disposal of non-current assets	19,984	18,755	19,984
Incl. Loss from disposal of fixed assets	19,984	18,755	19,984
Loss from disposal of intangible assets			
Loss from debt restructuring			
Loss from non monetary assets exchange			
Donation	40,000	1,000	40,000
Loss on compensations	407,332	2,981	407,332
Others	194,312	2,796	194,312
<b>Total</b>	<b>661,628</b>	<b>25,532</b>	<b>661,628</b>

#### 46. Income tax expenses

##### (1) List of income tax expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Current income tax	57,280,962	34,915,839
Deferred income tax	20,562,202	-28,389,192
Total	77,843,164	6,526,647

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

Unit: RMB

Items	Occurred in current term
Total profit	543,144,486
Current income tax expense accounted by tax and relevant regulations	74,775,115
Influence of different tax rates on subsidiaries	129,949
Influence of the adjustment of previous term	-15,303,517
Influence of income not subject to tax	
Costs, expenses and losses not deductible for tax purposes	687,747
Influence of use of deductible losses on early unrecognized deferred income tax assets	
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax assets	17,553,870
Income tax expenses	77,843,164

## 47. Other comprehensive income

The details can be found at Note VII (33).

## 48. Items of the cash flow statement

### (1) Cash received relating to other operating activities

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Interest income	3,301,921	1,390,764
Government grant	22,515,577	16,404,414
Others	20,291,438	18,633,458
Total	46,108,936	36,428,636



**(2)Cash paid relating to other operating activities**

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Transportation expense	61,146,471	73,203,113
Canteen cost	19,735,042	16,993,798
Office expenses	13,568,857	14,119,050
R&D fees	19,470,201	15,487,820
Travelling expenses	11,839,397	10,250,438
Entertainment expenses	10,603,096	8,785,380
Vehicle use fee	7,147,877	6,215,840
Repairing fees	6,426,568	3,870,337
Rental expenses	4,439,417	4,011,703
Insurance expenses	4,823,957	8,317,028
Financing Commission	4,612,961	4,017,465
Others	59,101,076	65,483,675
<b>Total</b>	<b>222,914,920</b>	<b>230,755,647</b>

**(3)Cash received relating to other investing operating activities**

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Government grants received relating to assets	3,600,000	8,290,000
Received deposit and margin		1,509,515
Collection trusted	11,239,200	
Received repayment	14,860,684	
<b>Total</b>	<b>29,699,884</b>	<b>9,799,515</b>

**(4)Cash paid relating to other investing activities**

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Payment for Shenzhen CSG		4,209,881
Payment for collection trusted	15,300,000	
Payment for deposit and margin	6,464,586	
<b>Total</b>	<b>21,764,586</b>	<b>4,209,881</b>

**(5) Cash received relating to other financing activities**

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Received return money from the original affiliated company Shenzhen CSG Display	88,567,811	
Collection of income tax of dividends of A-share & B-share	7,289,494	19,650,025
Received deposit and margin	4,868,673	
<b>Total</b>	<b>100,725,978</b>	<b>19,650,025</b>

**(6) Cash paid relating to other financing activities**

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Cash paid for financing lease of the original affiliated company Shenzhen CSG Display	109,125,965	
Cash paid for Commission fee of borrowing and bills		2,158,619
<b>Total</b>	<b>109,125,965</b>	<b>2,158,619</b>

**49. Supplement notes of cash flow statement****(1) Supplement notes of cash flow statement**

Unit: RMB

Supplementary Info.	Amount of this term	Amount of last term
1. Net profit adjusted to cash flow of business operation	--	--
Net profit	465,301,322	220,596,420
Add: Provisions for assets impairment	-925,372	4,759,309
Depreciation of fixed assets, gas and petrol depreciation production goods depreciation	413,138,016	392,866,394
Amortisation of intangible assets	16,315,423	16,350,879
Amortisation of long-term deferred expenses		
Losses on disposal of fixed assets , intangible assets and other long-term assets (“-“ for gains)	-228,658	-2,656,683

Losses on write-off of fixed assets (“-“ for gains)		
Loss from fair value change (“-“ for gains)		
Finance expenses (“-“ for gains)	127,824,823	130,396,150
Investment loss (“-“ for gains)	14,264,359	-42,454,450
Decrease in deferred tax assets (“-“ for increase)	21,032,799	-4,058,450
Increase of deferred income tax liability (“-“ for decrease)	-470,597	-24,330,742
Decrease of inventory (“-“ for increase)	-9,920,347	-105,151,274
Decrease of operational receivable items (“-“ for increase)	-30,401,660	-250,156,934
Increase of operational payable items (“-“ for decrease)	30,790,241	16,403,201
Others		
Net cash flow generated by business operation	1,046,720,349	352,563,820
2. Major investment and financing operation not involving with cash	--	--
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets under financing lease		
3. Net change of cash and cash equivalents	--	--
Balance of cash at period end	404,710,155	183,519,648
Less: Initial balance of cash	574,744,877	156,838,260
Add: Balance of cash equivalents at period end		
Less: Initial balance of cash equivalents		
Net increasing of cash and cash equivalents	-170,034,722	26,681,388

## (2) Net cash paid for acquisition of subsidiaries

Unit: RMB

	Amount
Cash and cash equivalents paid for business combination	566,345,956
Including:	--
Shenzhen Display Company	464,345,956
Xianning Fengwei Company	102,000,000
Less: Cash or cash equivalents held by subsidiary on the date of acquisition	58,371,857

Including:	--
Shenzhen Display Company	23,408,888
Xianning Fengwei Company	34,962,969
Add: Cash or cash equivalents paid in the period that occurred during the previous period	
Including:	--
net cash paid for acquisition of subsidiaries	507,974,099

### (3) Formation of cash and cash equivalents

Unit: RMB

Items	Closing balance	Opening balance
I. Cash	404,710,155	574,744,877
Incl: Cash on hand	20,027	20,172
Cash at bank without restriction	404,598,881	574,654,753
others without restriction	91,247	69,952
III. Balance of cash and cash equivalents at the end of the period	404,710,155	574,744,877

### 50. Assets of ownership or use right restricted

Unit: RMB

Item	Ending book value	Reason for restriction
Monetary fund	5,446,558	It's the Company's guarantee deposit for the application of opening letter of credit and loan from the bank, which was restricted monetary fund.
Total	5,446,558	--

### 51. Foreign currency monetary items

#### (1) Foreign currency monetary items

Unit: RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance convert to RMB
Cash at bank and on hand	--	--	35,130,998
Incl: USD	5,078,572	6.6312	33,677,026
EUR	2,991	7.3750	22,059
HKD	1,574,467	0.8547	1,345,697

AUD	17,434	4.9452	86,215
JPY	16	0.0645	1
Accounts receivable	--	--	96,202,915
Incl: USD	13,454,635	6.6312	89,220,376
EUR	946,785	7.3750	6,982,539
HKD			
Long-term borrowings	--	--	
Incl: USD			
EUR			
HKD			
Short-term borrowings			64,102,500
Incl: HKD	75,000,000	0.8547	64,102,500
Accounts payable			41,619,183
Incl: USD	4,577,814	6.6312	30,356,400
EUR	1,281,526	7.3750	9,451,254
JPY	28,081,659	0.0645	1,811,267
HKD	307	0.8547	262

**(2) Description of overseas operating entities, including important overseas operating entities which should be disclosed the main overseas business places, the recording currency and the choice basis, as well as the reason for change of the recording currency if applicable.**

Applicable    Not applicable

## VIII. Changes in the scope of consolidation

### 1. The business combinations not under the same control

#### (1) The business combinations not under the same control occurred in the period

Unit: RMB

Name of acquiree	Day for equity acquisition	Costs of equity acquisition	proportion of equity acquisition	Way of equity acquisition	Acquisition date	Confirm date of acquisition	Income from acquiree from acquisition date to the period end	Net profit from acquiree from acquisition date to the period end
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Shenzhen Display Company(i)	2016-6-3	464,345,956	16.10%	Acquisition	2016-6-3	Has signed an irrevocable equity transfer agreement, and the transfer procedures have been completed	37,282,745	-4,023,839
Xianning Fengwei Company	2016-6-20	102,000,000	100%	Acquisition	2016-6-20	Has signed an irrevocable equity transfer agreement, and the transfer procedures have been completed	118,606	-69,473

(i) The assessments of identifiable assets, liabilities and the fair value of contingent liabilities are still ongoing.

## (2) Combination costs and goodwill

Unit: RMB

Combination costs	
--Cash	566,345,956
-- Fair value of non-cash assets	
-- Fair value of debt issued or undertaken	
-- Fair value of equity securities issued	
-- Fair value of contingent consideration	
-- The fair value of the shares held prior on acquisition date	654,027,035
-- Others	
Total of combination costs	1,220,372,991
Less: Fair value share of identifiable net assets acquired	501,023,656
Goodwill / combination costs less than the amount of the fair value share of the identifiable net assets acquired	719,349,335

The goodwill increased in this period was due to the equity of Shenzhen display purchased by the Group which was originally calculated by equity method, was combined the statements of the Group after acquisition.

## (3) Identifiable assets, liabilities of acquire on the acquisition date

Unit: RMB

	Fair value on the acquisition date	Book value on the acquisition date
Assets:		
Cash at bank and on hand	62,752,438	62,752,438
Accounts receivable	168,777,955	148,777,955

inventories	51,219,234	51,219,234
Fixed assets	798,763,091	803,538,448
Intangible assets	233,292,879	160,150,151
Other current assets	116,507,764	116,507,764
Other non-current assets	263,156,779	263,154,976
Liabilities:		
Borrowings	564,000,000	564,000,000
Accounts payable	123,361,603	123,361,603
Deferred tax liabilities	11,277,482	
Employee benefits payable	9,403,298	9,403,298
Other liabilities	225,007,101	225,007,101
Net assets	761,420,656	684,328,964
Less: Minority interest	260,397,000	
Net assets acquired	501,023,656	

## IX. Interest in other entities

### 1. Interest in subsidiary

#### (1) Composition of the Group

Name of subsidiary	Major business location	Place of registration	Scope of business	Shareholding (%)		Way of acquisition
				Direct	Indirect	
Chengdu CSG Glass Co., Ltd.	Chengdu, the PRC	Chengdu, the PRC	Development, production and sales of specialized glass	75%	25%	Establishment
Sichuan CSG Energy Conservation	Chengdu, the PRC	Chengdu, the PRC	Development, production and sales of specialized glass and processed glass	75%	25%	Split-off
Tianjin Energy Conservation Glass Co. Ltd	Tianjin, the PRC	Tianjin, the PRC	Development, production and sales of specialized energy-efficient glass	75%	25%	Establishment
Dongguan CSG Architectural Glass Co., Ltd.	Dongguan, the PRC	Dongguan, the PRC	Glass deep processing	75%	25%	Establishment
Dongguan CSG Solar Glass Co., Ltd.	Dongguan, the PRC	Dongguan, the PRC	Production and sales of solar glass	75%	25%	Establishment
Dongguan CSG PV-tech Co., Ltd.	Dongguan, the PRC	Dongguan, the PRC	Production and sales of high-tech green cell products and modules		100%	Establishment

Yichang CSG Polysilicon Co., Ltd.	Yichang, the PRC	Yichang, the PRC	Production and sales of High purity silicon materials	75%	25%	Establishment
Wujiang CSG North-east Architectural Glass Co., Ltd.	Wujiang, the PRC	Wujiang, the PRC	Glass deep processing	75%	25%	Establishment
Hebei CSG Glass Co., Ltd.	Yongqing, the PRC	Yongqing, the PRC	Production and sales of specialized glass	75%	25%	Establishment
Wujiang CSG Glass Co., Ltd.	Wujiang, the PRC	Wujiang, the PRC	Production and sales of specialized glass	100%		Establishment
China Southern Glass (Hong Kong) Limited	Hong Kong	Hong Kong	Trading and investment holding	100%		Establishment
Hebei Panel Glass Co., Ltd.	Yongqing, the PRC	Yongqing, the PRC	Production and sales of ultra-thin electronic glass	100%		Establishment
Xianning CSG Glass Co Ltd.	Xianning, the PRC	Xianning, the PRC	Production and sales of specialized glass	75%	25%	Establishment
Xianning CSG Energy Conservation Glass Co Ltd.	Xianning, the PRC	Xianning, the PRC	Glass deep processing	75%	25%	Split-off
Qingyuan CSG Energy Saving New Materials Co.,Ltd	Qingyuan, the PRC	Qingyuan, the PRC	Production and sales of ultra-thin electronic glass	100%		Establishment
Shenzhen CSG Financial Leasing Co., Ltd.	Shenzhen, the PRC	Shenzhen, the PRC	Financing lease business	75%	25%	Establishment
Jiangyou CSG Mining Develop Co.Ltd.	Jiangyou, the PRC	Jiangyou, the PRC	Production and sales of silica and by-products	100%		Establishment
Shenzhen CSG PV Energy Co., Ltd.	Shenzhen, the PRC	Shenzhen, the PRC	Investment & development of solar PV plant	100%		Establishment
Qingyuan New Energy Co., Ltd.	Qingyuan, the PRC	Qingyuan, the PRC	Development of new clean energy, photovoltaic power generation		100%	Establishment
Suzhou PV Co., Ltd.	Wujiang, the PRC	Wujiang, the PRC	Development of new clean energy, photovoltaic power generation		100%	Establishment
Wujiang New Energy Co., Ltd.	Wujiang, the PRC	Wujiang, the PRC	Development of new clean energy, photovoltaic power generation		100%	Establishment
Shenzhen CSG Display Technology Co., Ltd.	Shenzhen, the PRC	Shenzhen, the PRC	Glass for display device	60.80%		Acquisition
Xianning Fengwei Technology Co., Ltd.	Xianning, the PRC	Xianning, the PRC	Photoelectric glass and high-alumina glass	37.50%	62.50%	Acquisition

## (2)The significant non-fully-owned subsidiaries of the Group

Unit: RMB



Subsidiaries	Shareholding of minority shareholders	Total profit or loss attributable to minority shareholders for the year ended 30 June 2016	Dividends distributed to minority interests for the year ended 30 June 2016	Minority interest as at 30 June 2016
Shenzhen CSG Display Technology Co., Ltd.	39.20%	-1,577,345		258,417,917

### (3) The major financial information of the significant non-fully-owned subsidiaries of the Group

Unit: RMB

Name of Subsidiary	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen CSG Display Technology Co., Ltd.	292,871,526	1,310,752,576	1,603,624,102	486,724,451	412,137,964	898,862,415

Unit: RMB

Name of Subsidiary	Occurred in current period			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen CSG Display Technology Co., Ltd.	37,282,745	-4,023,839	-4,023,839	19,571,109

## X. Risk related to financial instrument

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

### (1) Market risk

#### (a) Foreign exchange risk

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

As at 30 June 2016, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies

are summarized below:

	30 June 2016			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency-				
Cash at bank and on hand	33,677,026	1,345,697	108,275	35,130,998
Receivables	89,220,376	-	6,982,539	96,202,915
	122,897,402	1,345,697	7,090,814	131,333,913
Financial liabilities denominated in foreign currency-				
Short-term borrowings	-	64,102,500	-	64,102,500
Payables	30,356,400	262	11,262,521	41,619,183
	30,356,400	64,102,762	11,262,521	105,721,683

	31 December 2015			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency-				
Cash at bank and on hand	58,954,550	1,867,518	87,409	60,909,477
Receivables	75,590,699	-	8,639,719	84,230,418
	134,545,249	1,867,518	8,727,128	145,139,895
Financial liabilities denominated in foreign currency-				
Short-term borrowings	54,674,443	144,939,400	-	199,613,843
Payables	25,061,069	-	11,688,767	36,749,836
	79,735,512	144,939,400	11,688,767	236,363,679

As at 30 June 2016, if the currency had weakened/strengthened 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 7,865,985 (31 December 2015: approximately RMB 4,659,000) lower/ higher for various financial assets and liabilities denominated in USD.

As at 30 June 2016, if the currency had strengthened /weakened by 10% against the HKD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB 4,706,780 (31 December 2015: approximately RMB 10,730,000) higher/lower for various financial assets and liabilities denominated in HKD.

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

(b) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing borrowings including long-term borrowings and bonds payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates

expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2015, the Group's long-term interest-bearing debt at variable rates and fixed rates as illustrated below:

	30 June 2016	31 December 2015
Debt at fixed rates	2,200,000,000	2,200,000,000
Debt at variable rates	202,000,000	-
	2,402,000,000	2,200,000,000

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 and other receivables, etc.

The Group expects that there is no significant credit risk associated with cash at bank since they are 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, the 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.

As at 30 June 2016, the Group had net current liabilities of approximately RMB 3.8 billion and committed capital expenditures of

approximately RMB 185 million. 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; and
- (c) The Group will closely monitoring the payment of construction expenditure in terms of payment time and amount.

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

	30 June 2016				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	4,103,055,502	-	-	-	4,103,055,502
Notes payable	6,014,869	-	-	-	6,014,869
Accounts payable	1,136,684,714	-	-	-	1,136,684,714
Interest payable	152,327,588	-	-	-	152,327,588
Other payables	204,741,291	-	-	-	204,741,291
Non-current liabilities due within one year	219,170,229	-	-	-	219,170,229
Long-term borrowings	68,875,000	180,085,904	1,354,871,342	-	1,603,832,246
Bonds payable	53,300,000	1,015,990,005	-	-	1,069,290,005
	5,944,169,193	1,196,075,909	1,354,871,342	-	8,495,116,444

	31 December 2015				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	3,269,572,568	-	-	-	3,269,572,568
Notes payable	8,000,000	-	-	-	8,000,000
Accounts payable	915,266,051	-	-	-	915,266,051
Interest payable	89,363,806	-	-	-	89,363,806
Other payables	143,021,055	-	-	-	143,021,055
Non-current liabilities due within one year	244,191,152	-	-	-	244,191,152
Long-term borrowings	59,280,000	59,280,000	1,350,217,700	-	1,468,777,700
Bonds payable	53,300,000	1,042,640,000	-	-	1,095,940,000
	4,781,994,632	1,101,920,000	1,350,217,700	-	7,234,132,332

## XI. Disclosure of fair value

### 1. Fair value of financial assets and financial liabilities not measured at fair value

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

	30 June 2016		31 December 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Government interest free loans	5,000,000	4,791,567	-	-
Bonds payable	1,000,000,000	1,021,500,000	1,000,000,000	1,010,820,000
Medium-term notes	1,200,000,000	1,257,000,000	1,200,000,000	1,209,940,000
	2,205,000,000	2,283,291,567	2,200,000,000	2,220,760,000

The fair values of bonds payables and medium-term notes are the present value of the contractually determined stream of future cash flows at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, which belong to Level 3.

## XII. Related party and related Transaction

### 1. Parent company of the Company

The Company has no parent company.

### 2. Subsidiaries of the Company

The information of subsidiaries of the Company can be found at Note IX (1).

### 3. Related transaction

#### (1) Transaction of acquisition of goods, offering and reception of labor service

List of selling goods/offering labor service

Unit: RMB

Related party	Contents of related transaction	Occurred in this term	Occurred in previous term
Shenzhen CSG Display Technology Co., Ltd.	sales of ultra-thin glass	9,665,275	12,418,959

#### (2) Related lease

The Company as the Lessor:

Unit: RMB

Lessee	Type of leased asset	Rental income recognized in this term	Rental income recognized in previous term
Shenzhen CSG Display Technology Co., Ltd.	plant	0	456,000

#### 4. Receivables and payables of related parties

##### (1) Receivables

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	bad debt provision	Book balance	bad debt provision
Accounts receivable	Shenzhen CSG Display Technology Co., Ltd.			7,943,674	158,874
Other receivables	Shenzhen CSG Display Technology Co., Ltd.			90,436,480	1,808,730
Long-term accounts receivable	Shenzhen CSG Display Technology Co., Ltd.			50,104,299	
Advance payment	Shenzhen CSG Display Technology Co., Ltd.			9,869,906	

### XIII. Commitments and contingency

#### Capital expenditures commitments

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

	30 June 2016	31 December 2015
Buildings, machinery and equipment	184,759,614	144,047,573

### XIV. Other significant events

#### 1. Segment information

##### (1) Definition foundation and accounting policy of segment

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

The Group identified 4 reportable segments as follows:

- Flat glass segment, being engaged in the production and sales of float glass products, solar glass and silica sand required for the production of flat glass
- Architectural glass segment, being engaged in the production and sales of architectural glass products
- Solar Energy Segment, being engaged in the production and sales of polysilicon and solar modules
- Electronic glass and display Segment, being engaged in the production and sales of ultrathin electronic glass and display products

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

**(2) Financial information of segment**

Unit: RMB

Item	Flat glass	Achitectural glass	Electronic glass and display	Solar Energy	Others	Unallocated	Elimination	Total
Revenue from external customers	1,569,190,818	1,313,419,965	89,705,909	1,254,771,556		1,077,394		4,228,165,642
Inter-segment revenue	331,251,736	14,512,339	441,603	9,852,847			-356,058,525	
Interest income	245,769	120,297	165,001	110,328	377	2,660,149		3,301,921
Interest expenses	48,166,542	21,983,427	4,378,627	42,079,363		11,216,864		127,824,823
Investment income from associates and joint ventures						-14,264,359		-14,264,359
Asset impairment reversal	-484,161	966,852	19,085	343,094		-1,770,242		-925,372
Depreciation and amortization expenses	165,735,865	121,825,383	21,492,358	117,196,746	67,315	3,135,772		429,453,439
Total profit	243,308,785	161,890,177	-4,637,123	231,614,313	-115,730	-88,089,559	-826,377	543,144,486
Income tax expenses	34,154,099	11,564,684	-1,238,295	33,408,528		-45,852		77,843,164
Net profit	209,154,686	150,325,493	-3,398,828	198,205,785	-115,730	-88,043,707	-826,377	465,301,322
Total assets	5,305,425,738	3,427,381,344	2,761,735,400	4,327,181,813	843,476	1,152,653,639		16,975,221,410
Total liabilities	708,595,560	759,800,557	911,239,665	507,671,391	2,502,814	6,104,977,551		8,994,787,538
Additions of non-current assets other than long-term equity investments	113,842,091	18,398,826	1,233,608,186	262,223,558		3,591,957		1,631,664,618

**(3) Other statement**

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

Revenue from external customers	Jan.-Jun. 2016	Jan.-Jun. 2015
Mainland	3,742,134,566	3,014,978,672
Hong Kong	46,568,633	4,678,449
Europe	34,282,849	37,623,285
Asia (other than Mainland and Hong Kong)	316,839,177	222,259,536
Australia	19,557,991	33,265,222
North America	64,008,117	8,601,218
Other region	4,774,309	1,633,120
	4,228,165,642	3,323,039,502

Total non-current assets	30 June 2016	31 December 2015
Mainland	14,524,914,560	13,136,296,789
Hong Kong	12,619,932	12,669,672
	14,537,534,492	13,148,966,461

The Group has a large number of customers, but no revenue from a single customer exceed 10% or more of the Group's revenue.

**XV. Notes to Financial Statements of the Parent Company****1. Other accounts receivable****(1) Other accounts receivable disclosed by category:**

Unit: RMB

Categories	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Other accounts receivable with large amount and provided bad debt provisions individually										



Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	3,918,271,786	100%	6,317	0%	3,918,265,469	4,285,491,595	100%	1,776,559	0%	4,283,715,036
Other accounts receivable with small amount but provided bad debt provisions individually										
Total	3,918,271,786	100%	6,317	0%	3,918,265,469	4,285,491,595	100%	1,776,559	0%	4,283,715,036

Other accounts receivable with large amount and were provided bad debt provisions individually at end of period.

Applicable  Non-applicable

Other accounts receivable in the portfolio on which bad debt provisions were provided on percentage basis

Applicable  Non-applicable

Unit: RMB

Name of portfolio	Closing balance		
	Other receivable accounts	Bad debt provision	proportion%
portfolio 1	315,834	6,317	2%
portfolio 2	3,917,955,952	0	0%
Total	3,918,271,786	6,317	0%

Other receivable accounts in the portfolio on which bad debt provisions were provided on other basis

Applicable  Non-applicable

## (2) Accounts receivable withdraw, reversed or collected during the reporting period

The amount of the reversed or collected part during the report period was of RMB 1,770,242.

## (3) Other accounts receivable classified by the nature of accounts

Unit: RMB

Nature of accounts	Ending book balance	Beginning book balance
Accounts receivable of related party	3,917,955,952	4,285,231,188
Others	315,834	260,407
Total	3,918,271,786	4,285,491,595

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

Unit: RMB

Name of the company	Nature of accounts	Closing balance	Ages	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
Yichang CSG Polysilicon Co., Ltd.	Subsidiary	1,523,963,984	Within 1 year	39%	0
Wujiang CSG Glass Co., Ltd.	Subsidiary	425,262,011	Within 1 year	11%	0
Qingyuan CSG Energy Conservation New Materials Co., Ltd.	Subsidiary	269,043,219	Within 1 year	7%	0
Xianning CSG Glass Co., Ltd.	Subsidiary	252,311,567	Within 1 year	6%	0
Chengdu CSG Glass Co., Ltd.	Subsidiary	248,993,313	Within 1 year	6%	0
Total	--	2,719,574,094	--	69%	

**2. Long-term equity investment**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	5,003,091,791	15,000,000	4,988,091,791	4,066,657,802	15,000,000	4,051,657,802
Investment in joint venture and associated enterprise				286,119,936		286,119,936
Total	5,003,091,791	15,000,000	4,988,091,791	4,352,777,738	15,000,000	4,337,777,738

**(1) Investment in subsidiaries**

Unit: RMB

Invested company	Opening balance	Increase in the term	Decrease in the term	Closing balance	Provision for impairment of the current period	Closing balance of impairment provision
Chengdu CSG Glass Co., Ltd.	76,674,073	70,005,000		146,679,073		
Sichuan CSG Energy Conservation Glass Co Ltd.	115,290,583			115,290,583		
Tianjin Energy Conservation Glass Co., Ltd	242,902,974			242,902,974		
Dongguan CSG Architectural Glass Co., Ltd.	193,618,971			193,618,971		

Dongguan CSG Solar Glass Co., Ltd.	349,446,826			349,446,826	
Yichang CSG Polysilicon Co., Ltd.	632,958,044			632,958,044	
Wujiang CSG North-east Architectural Glass Co., Ltd.	251,313,658			251,313,658	
Hebei CSG Glass Co., Ltd.	261,998,368			261,998,368	
China Southern Glass (Hong Kong) Limited	85,742,211			85,742,211	
Wujiang CSG Glass Co., Ltd.	562,179,564			562,179,564	
Hebei Panel Glass Co., Ltd.	243,062,801			243,062,801	
Jiangyou CSG Mining Develop Co.Ltd.	100,725,041			100,725,041	
Xianning CSG Glass Co Ltd.	177,041,818			177,041,818	
Xianning CSG Energy Conservation Glass Co Ltd.	161,281,576			161,281,576	
Qingyuan CSG Energy Conservation New Materials Co.,Ltd.	300,185,609			300,185,609	
Shenzhen CSG Financial Leasing Co., Ltd.	45,000,000	67,500,000		112,500,000	
Shenzhen CSG PV Energy Co., Ltd.	100,000,000			100,000,000	
Shenzhen CSG Display Technology Co., Ltd.		760,678,989		760,678,989	
Xianning Feiwei Technology Co., Ltd.		38,250,000		38,250,000	
Others	167,235,685			167,235,685	15,000,000
<b>Total</b>	<b>4,066,657,802</b>	<b>936,433,989</b>		<b>5,003,091,791</b>	<b>15,000,000</b>

**(2) Investment in joint venture**

Unit: RMB

Investee	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
II. Associated enterprises											
Shenzhen CSG	286,119,936			9,850,045		363,052			-296,333,033	0	

Display Technology Co., Ltd										
Subtotal	286,119,936		9,850,045		363,052			-296,333,033	0	
Total	286,119,936		9,850,045		363,052			-296,333,033	0	

### (3) Other notes

#### Subsidiaries (continuation)

As at June 30, 2016, long-term equity investment in subsidiaries contained the restricted stocks granted by the Company to the Employees of subsidiaries of the company, and the Company did not charge any fees for the restricted stocks which was deemed as an increase of costs of Long-term equity investment for subsidiaries by RMB 108,672,269(31 December 2015: RMB 96,884,696).

The subsidiaries which have made provision for impairment were basically closed down in the previous year, and the provision for impairment for the long-term equity investment of them had been made by the Company according to the recoverable amount.

### 3. Operating income and operating costs

Unit: RMB

Item	Occurred in this term		Occurred in previous term	
	Income	Costs	Income	Costs
Main business				
Other business	1,077,394	60,334		
Total	1,077,394	60,334		

### 4. Investment income

Unit: RMB

Item	Occurred in this term	Occurred in previous term
Long-term equity investment accounted by cost method	389,430,562	495,382,766
Long-term equity investment accounted by equity method	9,850,045	-14,452,010
Investment income accounted by disposal of long-term equity investment		-128,814
Investment income earned during the holding period of available-for-sale financial assets		60,372
Investment income gained from disposal of equity interests		55,257,044
Total	399,280,607	536,119,358

## XVI. Supplementary Information

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

Applicable  Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	228,658	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	47,606,029	
Other non-operating income and expenditure except for the aforementioned items	1,542,049	
Less: Impact on income tax	7,452,914	
Impact on minority shareholders' equity (post-tax)	-1,436,049	
Total	43,359,871	--

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

Applicable  Not applicable

### 2. Return on equity and earnings per share

Profit in the report period	The weighted average net assets ratio	Earnings per share	
		basic earnings per share (RMB/share)	diluted earnings per share (RMB/share)
Net profit attributable to shareholders of the listed company(RMB)	5.99%	0.22	0.22
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	5.43%	0.20	0.20

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

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

Applicable  Not applicable

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

Applicable  Not applicable

## **Section IX. Documents available for Reference**

- I. Text of the Semi-annual Report carrying the legal representative's signature;
- II. Text of the financial report carrying the signatures and seals of the legal representative, C.F.O and person in charge of financial organization;
- III. All texts of the Company's documents and original public notices disclosed in the papers appointed by CSRC in the report period.

**Board of Directors of  
CSG Holding Co., Ltd.**

**16 August 2016**