CSG HOLDING CO., LTD.

Financial Report of Semi-annual Report 2024

I. Report of the auditors

Whether the Semi-annual Report has been audited or not

□ Yes √ No

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

II. Financial statements

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

1. Consolidated balance sheet

Prepared by: CSG Holding Co., Ltd.

30 June 2024

Unit: RMB

Item	30 June 2024	1 January 2024
Current assets：		
Cash at bank and on hand	3,619,278,955	3,076,774,218
Notes receivable	1,569,125,486	1,593,520,494
Accounts receivable	1,845,881,636	1,881,796,408
Receivables Financing	622,130,245	529,945,623
Advances to suppliers	120,163,652	155,476,645
Other receivables	173,913,608	177,957,033
Inventories	1,978,742,256	1,590,224,795
Non-current assets due within one year		84,191,224
Other current assets	413,804,979	352,066,698
Total current assets	10,343,040,817	9,441,953,138
Non-current assets：		
Investment properties	292,711,858	290,368,105
Fixed assets	12,785,878,380	13,145,568,631
Construction in progress	5,860,245,516	4,325,016,420
Right-of-use assets	20,668,967	21,637,628
Intangible assets	2,420,861,237	2,490,530,224
Goodwill	8,593,352	8,593,352
Long-term prepaid expenses	19,903,233	18,764,429
Deferred tax assets	284,259,290	223,025,031
Other non-current assets	232,792,856	396,600,354
Total non-current assets	21,925,914,689	20,920,104,174

Item	30 June 2024	1 January 2024
Total assets	32,268,955,506	30,362,057,312
Current liabilities：		
Short-term borrowings	288,350,882	436,853,583
Notes payable	2,509,626,956	2,041,353,189
Accounts payable	3,338,914,236	3,341,624,602
Contract liabilities	343,813,781	362,538,795
Employee benefits payable	325,264,034	483,337,796
Taxes payable	166,777,597	123,407,413
Other payables	1,160,609,297	484,741,877
Including: interest payable	8,863,897	8,751,408
Dividends payable	767,673,027	
Current portion of non-current liabilities	1,540,485,695	1,248,891,979
Other current liabilities	296,865,126	454,332,686
Total current liabilities	9,970,707,604	8,977,081,920
Non-current liabilities：		
Long-term borrowings	6,750,620,208	6,221,648,676
Lease liabilities	14,679,278	15,134,562
Long-term payables	510,957,893	88,204,163
Provisions	12,031,343	13,050,082
Deferred income	441,426,757	430,143,830
Deferred tax liabilities	75,030,913	80,087,910
Total non-current liabilities	7,804,746,392	6,848,269,223
Total liabilities	17,775,453,996	15,825,351,143
Shareholders’ equity：		
Share capital	3,070,692,107	3,070,692,107
Capital surplus	590,739,414	590,739,414
Other comprehensive income	178,601,860	177,384,471
Special reserve	3,363,900	1,411,139
Surplus reserve	1,404,063,298	1,404,063,298
Undistributed profits	8,771,988,323	8,806,549,788
Total equity attributable to shareholders of parent company	14,019,448,902	14,050,840,217
Minority interests	474,052,608	485,865,952
Total shareholders' equity	14,493,501,510	14,536,706,169
Total liabilities and shareholders' equity	32,268,955,506	30,362,057,312

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

2. Balance sheet of the parent company

Unit: RMB

Item	30 June 2024	1 January 2024
Current assets：		
Cash at bank and on hand	1,405,056,729	1,827,896,587
Accounts receivable	237,211,824	240,038,959
Receivables Financing	35,231,635	5,234,304
Advances to suppliers	2,034,835	1,428,810
Other receivables	2,537,334,449	2,157,102,479
Including: Dividends receivable	127,775,200	126,870,800
Non-current assets due within one year		84,191,224
Total current assets	4,216,869,472	4,315,892,363
Non-current assets：		
Long-term equity investments	10,229,533,769	9,806,533,769
Fixed assets	7,909,754	8,737,647
Intangible assets	9,552,772	9,846,993
Long-term prepaid expenses	3,484,218	3,784,407
Other non-current assets	3,900,657	1,683,913
Total non-current assets	10,254,381,170	9,830,586,729
TOTAL ASSETS	14,471,250,642	14,146,479,092
Current liabilities：		
Short-term borrowings	15,000,000	100,000,000
Notes payable	227,613,519	484,035,958
Accounts payable	244,777,834	257,032,871
Employee benefits payable	32,376,007	70,030,907
Taxes payable	4,925,918	2,558,059
Other payables	3,341,402,835	2,857,183,005
Including: interest payable	2,189,475	1,933,504
Dividends payable	767,673,027	
Current portion of non-current liabilities	536,069,800	647,500,000
Total current liabilities	4,402,165,913	4,418,340,800
Non-current liabilities：		
Long-term borrowings	1,718,420,200	1,302,250,000
Deferred income	171,562,500	171,750,000
Total non-current liabilities	1,889,982,700	1,474,000,000
Total liabilities	6,292,148,613	5,892,340,800
Shareholders' equity：		
Share capital	3,070,692,107	3,070,692,107
Capital surplus	741,824,399	741,824,399
Surplus reserve	1,418,608,658	1,418,608,658

Item	30 June 2024	1 January 2024
Undistributed profits	2,947,976,865	3,023,013,128
Total shareholders' equity	8,179,102,029	8,254,138,292
Total liabilities and shareholders' equity	14,471,250,642	14,146,479,092

3. Consolidated income statement

Unit: RMB

Item	H1 2024	H1 2023
I. Total business income	8,078,970,651	8,389,340,245
Including: operating income	8,078,970,651	8,389,340,245
II. Total operating costs	7,363,291,697	7,477,912,994
Including: operating costs	6,333,338,505	6,495,395,931
Taxes and surcharges	67,905,677	76,379,004
Selling and distribution expenses	155,003,701	146,856,141
General and administrative expenses	394,521,014	340,252,772
Research and development expenses	336,673,375	346,264,501
Financial expenses	75,849,425	72,764,645
Including: interest expenses	115,225,970	113,306,203
Interest income	31,170,207	45,500,449
Add：Other Income	116,694,636	47,203,839
Investment income（Loss is listed with “-”）	-4,863,078	-4,083,180
Credit impairment loss（Loss is listed with “-”）	7,380,905	-7,601,224
Asset impairment loss（Loss is listed with “-”）	-41,315,915	24,908
Income on disposal assets（Loss is listed with “-”）	4,202,074	53,451
III. Operating profit（Loss is listed with “-”）	797,777,576	947,025,045
Add: Non-operating revenue	4,928,794	9,453,333
Less: Non-operating expenses	3,180,495	486,800
IV. Total profit（Loss is listed with “-”）	799,525,875	955,991,578
Less: Income tax expenses	78,227,657	74,094,170
V. Net profit (Net loss is listed with “-”)	721,298,218	881,897,408
（1）Classified by continuous operation:		
1. Net income from continuing operations (Net loss is listed with “-”)	721,298,218	881,897,408
（2）Classified by equity ownership:		
1.Attributable to shareholders of parent company	733,111,562	889,478,780
2.Minority interests	-11,813,344	-7,581,372
VI. Other comprehensive income net after tax	1,217,389	10,030,559
Other comprehensive income net after tax attributable to shareholders of parent company	1,217,389	10,030,559
（1）Other comprehensive income to be reclassified into profit and loss	1,217,389	10,030,559
1. Translation differences arising on translation of foreign currency financial statement	1,217,389	10,030,559
VII. Total comprehensive income	722,515,607	891,927,967
Total comprehensive income attributable to shareholders	734,328,951	899,509,339

Item	H1 2024	H1 2023
of the parent company		
Total comprehensive income attributable to minority shareholders	-11,813,344	-7,581,372
VIII. Earnings per share		
（1）Basic earnings per share	0.24	0.29
（2）Diluted earnings per share	0.24	0.29

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

4. Income statement of the parent company

Unit: RMB

Item	H1 2024	H1 2023
I. Operating income	196,004,063	219,825,718
Less: operating costs		
Taxes and surcharges	1,569,126	1,405,865
Selling and distribution expenses	20,151,569	10,326,349
General and administrative expenses	134,311,842	137,413,753
Research and development expenses		290,120
Financial expenses	5,210,579	15,872,574
Including: interest expenses	31,753,909	61,444,973
Interest income	25,751,103	41,530,076
Add：Other Income	1,009,464	3,002,974
Investment income（Loss is listed with “-”）	656,824,755	1,682,067,333
Credit impairment loss（Loss is listed with “-”）	70,299	459,771
Income on disposal assets（Loss is listed with “-”）	28,035	
II. Operating profit（Loss is listed with “-”）	692,693,500	1,740,047,135
Add: Non-operating revenue	14,664	1,770
Less: Non-operating expenses	71,400	170,614
III. Total profit（Loss is listed with “-”）	692,636,764	1,739,878,291
Less: Income tax expenses		
IV. Net profit (Net loss is listed with “-”)	692,636,764	1,739,878,291
（1）Net income from continuing operations (Net loss is listed with “-”)	692,636,764	1,739,878,291
（2）Net income from discontinued operations(Net loss is listed with “-”)		
V. Total comprehensive income	692,636,764	1,739,878,291
VI. Earnings per share		

5. Consolidated statement of cash flows

Unit: RMB

Item	H1 2024	H1 2023
I. Cash flows from operating activities：		
Cash received from sales of goods or rendering of services	8,467,658,366	8,167,102,471
Refund of taxes and surcharges	32,599,323	129,649,279
Cash received relating to other operating activities	120,575,427	235,147,053
Sub-total of cash inflows from operating activities	8,620,833,116	8,531,898,803
Cash paid for goods and services	5,815,275,525	6,164,275,159
Cash paid to and on behalf of employees	1,220,487,978	1,161,324,786
Payments of taxes and surcharges	320,331,418	481,706,537
Cash paid relating to other operating activities	271,454,050	206,165,136
Sub-total of cash outflows from operating activities	7,627,548,971	8,013,471,618
Net cash flows from/(used in) operating activities	993,284,145	518,427,185
II. Cash flows from investing activities：		
Cash received from returns on investments	140,000,000	20,000,000
Cash received from returns on invest income	5,376,333	775,676
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	21,021,307	176,747
Cash received relating to other investing activities		32,629,490
Sub-total of cash inflows from operating activities	166,397,640	53,581,913
Cash paid to acquire fixed assets, intangible assets and other long-term asset	1,492,512,738	1,714,949,765
Cash paid to acquire investments	162,800,000	20,000,000
Net cash paid to acquire subsidiaries and other business units		696,000
Cash paid relating to other investing activities	26,244,829	
Sub-total of cash outflows from operating activities	1,681,557,567	1,735,645,765
Net cash flows (used in)/from investing activities	-1,515,159,927	-1,682,063,852
III. Cash flows from financing activities：		
Cash received from investors		4,000,000
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		4,000,000
Cash received from borrowings	1,605,003,386	1,792,403,638
Cash received relating to other financing activities	458,231,000	12,000,000
Sub-total of cash inflows from operating activities	2,063,234,386	1,808,403,638
Cash repayments of borrowings	900,033,363	2,351,598,051
Cash payments for interest expenses and distribution of dividends or profits	139,192,778	227,681,798
Cash payments relating to other financing activities	86,415,538	23,054,274
Sub-total of cash outflows from operating activities	1,125,641,679	2,602,334,123
Net cash flows (used in)/from financing activities	937,592,707	-793,930,485
IV. Effect of foreign exchange rate changes on cash	10,660,765	2,809,041
V. Net increase/(decrease) in cash and cash equivalents	426,377,690	-1,954,758,111
Add: Cash and cash equivalents at beginning of period	3,051,261,655	4,594,018,251
VI. Cash and cash equivalents at end of period	3,477,639,345	2,639,260,140

6. Statement of cash flows of the parent company

Unit: RMB

Item	H1 2024	H1 2023
I. Cash flows from operating activities：		
Cash received from sales of goods or rendering of services	857,809,508	346,331,261
Cash received relating to other operating activities	26,636,779	207,913,289
Sub-total of cash inflows from operating activities	884,446,287	554,244,550
Cash paid for goods and services	667,365,408	59,456,484
Cash paid to and on behalf of employees	176,610,778	182,805,295
Payments of taxes and surcharges	8,574,661	22,354,669
Cash paid relating to other operating activities	76,762,407	17,475,295
Sub-total of cash outflows	929,313,254	282,091,743
Net cash flows from/(used in) operating activities	-44,866,967	272,152,807
II. Cash flows from investing activities：		
Cash received from returns on investments	80,000,000	20,000,000
Cash received from returns on invest income	661,015,979	1,931,308,828
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	31,680	2,000
Sub-total of cash inflows	741,047,659	1,951,310,828
Cash paid to acquire fixed assets, intangible assets and other long-term assets	3,750,531	5,775,984
Cash paid to acquire investments	523,000,000	999,282,840
Sub-total of cash outflows	526,750,531	1,005,058,824
Net cash flows (used in)/from investing activities	214,297,128	946,252,004
III. Cash flows from financing activities：		
Cash received from borrowings	643,490,000	610,000,000
Sub-total of cash inflows	643,490,000	610,000,000
Cash repayments of borrowings	423,750,000	2,216,543,000
Cash payments for interest expenses and distribution of dividends or profits	31,497,937	154,494,391
Cash paid relating to other financing activities	880,514,582	532,071,876
Sub-total of cash outflows	1,335,762,519	2,903,109,267
Net cash flows (used in)/from financing activities	-692,272,519	-2,293,109,267
IV. Effect of foreign exchange rate changes on cash	2,413	18,222
V. Net increase/(decrease) in cash and cash equivalents	-522,839,945	-1,074,686,234
Add: Cash and cash equivalents at beginning of period	1,827,884,309	2,595,003,883
VI. Cash and cash equivalents at end of period	1,305,044,364	1,520,317,649

7. Consolidated statement of changes in owner's equity

H1 2024

Unit: RMB

Item	H1 2024								
	Equity attributable to shareholders of parent company							Minority interests	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Sub-total		
I. Balance at the end of the last year	3,070,692,107	590,739,414	177,384,471	1,411,139	1,404,063,298	8,806,549,788	14,050,840,217	485,865,952	14,536,706,169
II. Balance at the beginning of the period	3,070,692,107	590,739,414	177,384,471	1,411,139	1,404,063,298	8,806,549,788	14,050,840,217	485,865,952	14,536,706,169
III. Movements for the period (Decrease is listed with "-")			1,217,389	1,952,761		-34,561,465	-31,391,315	-11,813,344	-43,204,659
（I）Total comprehensive income			1,217,389			733,111,562	734,328,951	-11,813,344	722,515,607
（II）Capital increase or decrease from shareholder									
1. Ordinary shares contributed by the owner									
2. Others									
（III）Profit distribution						-767,673,027	-767,673,027		-767,673,027
1. Transfer to surplus reserves									
2. Distribution to owners（or shareholders）						-767,673,027	-767,673,027		-767,673,027
（IV）Special reserve				1,952,761			1,952,761		1,952,761
1．Special reserve appropriate				3,139,075			3,139,075		3,139,075

2．Special reserve used				1,186,314			1,186,314		1,186,314
IV. Balance at the end of the period	3,070,692,107	590,739,414	178,601,860	3,363,900	1,404,063,298	8,771,988,323	14,019,448,902	474,052,608	14,493,501,510

H1 2023

Unit: RMB

Item	H1 2023								
	Equity attributable to shareholders of parent company							Minority interests	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Sub-total		
I. Balance at the end of the last year	3,070,692,107	596,997,085	170,860,478	731,580	1,228,634,001	7,786,968,455	12,854,883,706	520,787,597	13,375,671,303
II. Balance at the beginning of the period	3,070,692,107	596,997,085	170,860,478	731,580	1,228,634,001	7,786,968,455	12,854,883,706	520,787,597	13,375,671,303
III. Movements for the period (Decrease is listed with “-”)			10,030,559	-521,061		889,478,780	898,988,278	-3,581,372	895,406,906
（I）Total comprehensive income			10,030,559			889,478,780	899,509,339	-7,581,372	891,927,967
（II）Capital increase or decrease from shareholder								4,000,000	4,000,000
1. Contributions from shareholders in common stock								4,000,000	4,000,000
2. Others									
（III）Profit distribution									
1. Transfer to surplus reserves									
2. Distribution to owners (or shareholders)									
（IV）Special reserve				-521,061			-521,061		-521,061
1．Special reserve appropriate				5,038,984			5,038,984		5,038,984

Item	H1 2023								
	Equity attributable to shareholders of parent company							Minority interests	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Sub-total		
2．Special reserve used				5,560,045			5,560,045		5,560,045
IV. Balance at the end of the period	3,070,692,107	596,997,085	180,891,037	210,519	1,228,634,001	8,676,447,235	13,753,871,984	517,206,225	14,271,078,209

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

H1 2024

Unit: RMB

Item	H1 2024				
	Share capital	Capital surplus	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at the end of the last year	3,070,692,107	741,824,399	1,418,608,658	3,023,013,128	8,254,138,292
II. Balance at the beginning of the period	3,070,692,107	741,824,399	1,418,608,658	3,023,013,128	8,254,138,292
III. Movements for the period (Decrease is listed with “-”)				-75,036,263	-75,036,263
（I）Total comprehensive income				692,636,764	692,636,764
（II）Capital increase or decrease from shareholder					
（III）Profit distribution				-767,673,027	-767,673,027
1. Transfer to surplus reserves					
2. Distribution to shareholders				-767,673,027	-767,673,027
（IV）Internal carry-forward of owners' equity					
（V）Special reserve					
（VI）Others					
IV. Balance at the end of the period	3,070,692,107	741,824,399	1,418,608,658	2,947,976,865	8,179,102,029

H1 2023

Unit: RMB

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

III. GENERAL INFORMATION

CSG Holding Co., Ltd. (the "Group") 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 Group was registered in Shenzhen, Guangdong Province of the People's Republic of China and its headquarters is located in Shenzhen, Guangdong Province of the People's Republic of China. The Group issued RMB-denominated ordinary shares ("A-share") and foreign shares ("B-share") publicly in October 1991 and January 1992 respectively, and was listed on Shenzhen Stock Exchange on February 1992. As at 30 June 2024, the registered capital of the Group was RMB3,070,692,107, with nominal value of RMB1 per share.

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

The financial statements and the notes thereto were authorised for issue by the Board of Directors of the Group on 22 August 2024.

Details on the major subsidiaries included in the consolidated scope in the current period were stated in the notes to the financial statements.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation of financial statements

These financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and their application guidelines, interpretations and other relevant regulations issued by the Ministry of Finance (collectively: "Accounting Standards for Business Enterprises"). In addition, the Group also discloses relevant financial information in accordance with the *China Securities Regulatory Commission's Information Disclosure and Preparation Rules for Companies that Offer Securities to the Public No. 15 - General Provisions on Financial Reports (Revised in 2023)*.

The Group's accounting is based on the accrual basis. Except for certain financial instruments and investment properties, these financial statements are measured on a historical cost basis. If an asset is impaired, corresponding impairment provisions will be made in accordance with relevant regulations.

2. Going concern

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The depreciation of fixed assets, amortization of intangible assets, capitalization conditions for R&D expenses and revenue recognition policies based on its own production and operation characteristics. For specific accounting policies, please refer to Note.

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

This financial statement complies with the requirements of the Accounting Standards for Business Enterprises and truly and completely reflects the Group's consolidated and company financial status as of 30 June 2024, as well as the consolidated and company operating results, consolidated and company cash flows and other relevant information from January to June 2024.

2. Accounting year

The Group adopts the Gregorian calendar year, that is, from 1 January to 31 December each year.

3. Operating cycle

The Group's operating cycle is 12 months.

4. Recording currency

The Group and its domestic subsidiaries use RMB as their functional currency for accounting. The Group's overseas subsidiaries determine their recording currency based on the currency of the main economic environment in which they operate. The currency used by the Group in preparing these financial statements is RMB.

5. Materiality criteria determination method and selection basis

☑Applicable □Not applicable

Item	Materiality criterion
Significant single provision for bad debts in accounts receivable	The amount of individual accounts receivable provision accounts for over 5% of the combined accounts receivable balance
Significant single provision for bad debts in other receivables	The amount of individual other receivables provision accounts for over 10% of the combined other receivables balance
Significant write-off of accounts receivable/other receivables	The impact on the company's current profit and loss accounts for over 5% of the net profit absolute value for the most recent audited fiscal year, and exceeds 1 million yuan in absolute amount
Significant construction in progress	The budgeted investment amount accounts for over 5% of the recent audited attributable equity to the parent company
Significant non-wholly owned subsidiaries	The subsidiary's total assets account for over 5% of the consolidated total assets

6. Accounting treatment of business combinations under the common control and under non- common control

(1) Business combinations involving enterprises under common control

For business mergers under common control, the assets and liabilities of the merged party acquired by the merging party during the merger shall be measured based on the book value of the merged party in the consolidated financial statements of the ultimate controlling party on the merger date. The difference between the book value of the merger consideration (or the total face value of the shares issued) and the book value of the net assets obtained in the merger is adjusted to the capital reserve (share premium). If the capital reserve (share premium) is insufficient to offset it, the retained earnings are adjusted.

The merger of enterprises under the same control is realized step by step through multiple transactions.

The assets and liabilities of the merged party acquired by the merging party in the merger shall be measured based on the book value in the consolidated financial statements of the ultimate controlling party on the date of merger; the book value of the investments held before the merger plus the book value of the newly paid consideration on the date of merger The difference between the sum and the book value of the net assets obtained in the merger shall be adjusted to the capital reserve (equity premium) . If the capital reserve is insufficient for offset, the retained earnings shall be adjusted. The long-term equity investment held by the merging party before it obtained control of the merged party has been confirmed to be relevant between the date of acquiring the original equity and the date when the merging party and the merged party are under the final control of the same party, whichever is later, to the date of merger. Changes in profits and losses, other comprehensive income and other owners' equity should be offset against the opening retained earnings or current profits and losses during the comparative statement period respectively.

(2) Business combination not under common control

For business combinations not under common control, the combination cost shall be the assets paid, liabilities incurred or assumed, and the fair value of equity securities issued to obtain control of the purchased party on the acquisition date. On the purchase date, the acquired assets, liabilities and contingent liabilities of the purchased party are recognized at fair value.

If the merger cost is greater than the fair value share of the acquiree's identifiable net assets obtained in the merger. The difference is recognized as goodwill, and is subsequently measured at cost less accumulated impairment reserves; if the merger cost is less than the acquiree's identifiable net assets acquired in the merger, the difference is recognized as goodwill. The difference between the fair value of the net assets will be included in the current profit and loss after review.

The merger of enterprises not under common control is realized step by step through multiple transactions.

The merger cost is the sum of the consideration paid on the purchase date and the fair value of the purchased party's equity held before the purchase date on the purchase date. For the equity of the purchased party that has been held before the purchase date, it will be remeasured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value will be included in the investment income of the current period; The purchaser's equity held before the purchase date involves other comprehensive income, changes in other owners' equity are converted into current income on the purchase date, other comprehensive income arising from the investee's remeasurement of the net liabilities or changes in net assets of the defined benefit plan, and other comprehensive income originally designated as fair value Except for other comprehensive income related to investments in non-trading equity instruments that are measured and whose changes are included in other comprehensive income.

(3) Handling of Transaction Costs in Business Combinations

Intermediary fees such as auditing, legal services, evaluation and consulting, and other related management fees incurred for business mergers are included in the current profit and loss when incurred. The transaction costs of equity securities or debt securities issued as consideration for the merger shall be included in the initial recognition amount of the equity securities or debt securities.

7. Judgment standards for control and methods for preparing consolidated financial statements

(1) Control criteria

The scope of consolidation in consolidated financial statements is determined based on control. Control means that the Group has power over the invested unit, enjoys variable returns by participating in the relevant activities of the invested unit, and has the ability to use its power over the invested unit to affect its return amount. The Group will reassess when changes in relevant facts and circumstances lead to changes in the relevant elements involved in the definition of control.

When judging whether to include structured entities into the scope of consolidation, the Group comprehensively considers all facts and circumstances, including assessing the purpose and design of the structured entities, identifying the types of variable returns, and whether it bears part or all of the returns by participating in its related activities. Evaluate whether the structured entity is controlled based on variability, etc.

(2) How to prepare consolidated financial statements

The consolidated financial statements are based on the financial statements of the Group and its subsidiaries, and are prepared by the Group based on other relevant information. When preparing consolidated financial statements, the accounting policies and accounting period requirements of the Group and its subsidiaries are consistent, and significant inter-company transactions and balances are offset.

Subsidiaries and businesses that are added due to business combinations under the same control during the reporting period are deemed to be included in the scope of consolidation of the Group from the date they are both controlled by the ultimate controlling party. The operating results and cash flows from the date of the announcement are included in the consolidated income statement and consolidated cash flow statement respectively.

For subsidiaries and businesses that are added due to business combinations not under common control during the reporting period, the income, expenses, and profits of the subsidiaries and businesses from the date of acquisition to the end of the reporting period are included in the consolidated income statement, and their cash flows are included in the consolidated cash flow statement.

The part of the subsidiary's shareholders' equity that is not owned by the Group is listed separately as minority shareholders' equity in the consolidated balance sheet under shareholders' equity; the share of the subsidiary's current net profit and loss that is minority shareholders' equity is listed in the consolidated income statement. The net profit item is listed under the item "Profits and losses of minority shareholders". If the losses of a subsidiary shared by minority shareholders exceed the minority shareholders' share of the opening owner's equity of the subsidiary, the balance will still offset the minority shareholders' equity.

(3) Purchase of minority shareholders' equity in subsidiaries

The difference between the newly acquired long-term equity investment cost due to the purchase of minority shares and the share of the subsidiary's net assets calculated continuously from the date of purchase or merger based on the new shareholding ratio, and without losing control The difference between the disposal price obtained from the partial disposal of the equity investment in the subsidiary and the corresponding share of the subsidiary's net assets calculated continuously from the date of purchase or merger date corresponding to the disposal of the long-term equity investment shall be adjusted in the consolidated balance sheet. Capital reserve (equity premium/capital premium), if the capital reserve is insufficient to offset, the retained earnings will be adjusted.

(4) Treatment of loss of control of subsidiaries

If the control over the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity shall be remeasured according to its fair value on the date of loss of control; the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity shall be less Calculated based on the original shareholding ratio, the sum of the share of the book value of the net assets and goodwill of the original subsidiary calculated continuously from the date of purchase shall be included in the investment income in the current period when control is lost.

Other comprehensive income related to the equity investment of the original subsidiary should be accounted for on the same basis as the original subsidiary's direct disposal of relevant assets or liabilities when the control is lost.Any income related to the original subsidiary that involves accounting under the equity method other changes in owners' equity should be transferred to the current profits and losses when control is lost.

8. Determination criteria for cash and cash equivalents

Cash refers to cash on hand and deposits that can be used for payment at any time. Cash equivalents refer to investments held by the Group that are short-term, highly liquid, easily convertible into known amounts of cash, and have little risk of value changes.

9. Foreign currency business and foreign currency statement conversion

(1) Foreign currency business

The Group's foreign currency business is converted into the recording currency amount based on the spot exchange rate on the date of the transaction.

On the balance sheet date, foreign currency monetary items are converted using the spot exchange rate on the balance sheet date. The exchange difference arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or the previous balance sheet date is included in the current profit and loss; for foreign currency non-monetary items measured at historical cost, the spot exchange rate on the date of the transaction is still used The foreign currency non-monetary items measured at fair value shall be converted at the spot exchange rate on the date when the fair value is determined. The difference between the converted accounting functional currency amount and the original accounting functional currency amount shall be converted according to the non-monetary accounting currency amount. The nature of monetary items is included in current profits and losses or other comprehensive income.

(2) Translation of foreign currency financial statements

On the balance sheet date, when converting the foreign currency financial statements of overseas subsidiaries, the asset and liability items in the balance sheet are translated using the spot exchange rate on the balance sheet date. Except for "undistributed profits", shareholders' equity items include other items. Converted using the spot exchange rate on the date of occurrence.

Income and expense items in the income statement are translated using the spot exchange rate on the date of transaction.

All items in the cash flow statement are translated according to the spot exchange rate on the date when the cash flow occurs. The impact of exchange rate changes on cash is regarded as an adjustment item and is reflected in the "Impact of exchange rate changes on cash and cash equivalents" separately in the cash flow statement.

Differences arising from the translation of financial statements are reflected in the "other comprehensive income" item under the shareholders' equity item in the balance sheet.

When an overseas operation is disposed of and control is lost, the translation difference of the foreign currency statements listed under the shareholders' equity item in the balance sheet and related to the overseas operation shall be transferred to the current profit and loss of the disposal in full or in proportion to the disposal of the overseas operation.

10. Financial tool

A financial instrument is a contract that forms a financial asset of one party and a financial liability or equity instrument of another party.

(1) Recognition and derecognition of financial instruments

The Group recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

Financial assets shall be derecognized if they meet one of the following conditions:

1) The contractual right to receive cash flows from the financial asset terminates;

2) The financial asset has been transferred and meets the following conditions for derecognition of financial asset transfer.

If the current obligation of a financial liability has been discharged in whole or in part, the financial liability or part of it shall be derecognised. If the Group (debtor) signs an agreement with its creditors to replace existing financial liabilities by assuming new financial liabilities, and the contract terms of the new financial liabilities are substantially different from the existing financial liabilities, the existing financial liabilities will be derecognized and the new financial liabilities will be recognized at the same time.

When financial assets are bought and sold in a regular manner, accounting recognition and derecognition will be carried out based on the transaction date.

(2) Classification and measurement of financial assets

Upon initial recognition, the Group classifies financial assets into the following three categories based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profits and losses.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through profit and loss, the relevant transaction costs are directly included in the current profit and loss; for other types of financial assets, the relevant transaction costs are included in the initial recognition amount. For receivables arising from the sale of products or provision of services that do not include or take into account significant financing components, the amount of consideration that the Group is expected to be entitled to receive shall be deemed as the initial recognition amount.

Financial assets measured at amortized cost

The Group classifies financial assets that meet the following conditions and are not designated as measured at fair value through profit or loss as financial assets measured at amortized cost:

- The Group’s business model for managing this financial asset is aimed at collecting contractual cash flows;
- The contractual terms of the financial asset provide that the cash flows generated on a specific date are solely payments of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost using the effective interest rate method. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship are included in the current profit and loss when they are derecognized, amortized according to the effective interest method, or impairment is recognized.

Financial assets measured at fair value through other comprehensive income

The Group classifies financial assets that meet the following conditions and are not designated as measured at fair value through profit or loss as financial assets at fair value through other comprehensive income:

- The Group’s business model for managing the financial assets aims at both collecting contractual cash flows and selling the financial assets;
- The contractual terms of the financial asset provide that the cash flows generated on a specific date are solely payments of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are subsequently measured at fair value. Interest, impairment losses or gains and exchange gains and losses calculated using the effective interest rate method are included in the current profit and loss, and other gains or losses are included in other comprehensive income. When derecognition is terminated, the accumulated gains or losses previously included in other comprehensive income will be transferred out of other comprehensive income and included in the current profit and loss.

Financial assets measured at fair value through profits and losses

Except for the above-mentioned financial assets measured at amortized cost and at fair value through other comprehensive income, the Group classifies all remaining financial assets as financial assets at fair value through profit or loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group irrevocably designated some financial assets that should have been measured at amortized cost or at fair value through other comprehensive income as financial assets measured through profits and losses.

After initial recognition, such financial assets are subsequently measured at fair value, and the resulting gains or losses (including interest and dividend income) are included in the current profits and losses, unless the financial assets are part of a hedging relationship.

The business model for managing financial assets refers to how the Group manages financial assets to generate cash flow. The business model determines whether the source of cash flow from the financial assets managed by the Group is collection of contractual cash flow, sale of financial assets or both. The Group determines the business model for managing financial assets based on objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Group evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are only payments of principal and interest based on the outstanding principal amount. Among them, principal refers to the fair value of the financial asset at the time of initial recognition; interest includes consideration for the time value of money, the credit risk associated with the outstanding principal amount in a specific period, and other basic lending risks, costs and profits. In addition, the Group evaluates contract terms that may cause changes in the time distribution or amount of contractual cash flows of financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

Only when the Group changes its business model for managing financial assets, all affected relevant financial assets will be reclassified on the first day of the first reporting period after the change in business model. Otherwise, financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through profit and loss, the relevant transaction costs are directly included in the current profit and loss; for other types of financial assets, the relevant transaction costs are included in the initial recognition amount. For accounts receivable arising from the sale of products or provision of services that do not include or take into account significant financing components, the amount of consideration that the Group is expected to be entitled to receive shall be deemed as the initial recognition amount.

(3) Classification and measurement of financial liabilities

The Group's financial liabilities are classified upon initial recognition into: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value through profit and loss, relevant transaction costs are included in their initial recognition amount.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include trading financial liabilities and financial liabilities designated as fair value through profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and gains or losses arising from changes in fair value, as well as dividends and interest expenses related to such financial liabilities, are included in the current profits and losses.

Financial liabilities measured at amortized cost

Other financial liabilities adopt the actual interest rate method and are subsequently measured at amortized cost. Gains or losses arising from derecognition or amortization are included in the current profits and losses.

The difference between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

1) Contractual obligation to deliver cash or other financial assets to other parties.

2) Contractual obligations to exchange financial assets or financial liabilities with other parties under potentially adverse conditions.

3) Non-derivative contracts that must or can be settled with the enterprise's own equity instruments in the future, and the enterprise will deliver a variable number of its own equity instruments according to the contract.

4) Derivative contracts that must or can be settled with the enterprise's own equity instruments in the future, except for derivative contracts that exchange a fixed number of its own equity instruments for a fixed amount of cash or other financial assets.

Equity instruments refer to contracts that prove ownership of the remaining equity in the assets of an enterprise after deducting all liabilities.

If the Group cannot unconditionally avoid delivering cash or other financial assets to fulfil a contractual obligation, the contractual obligation meets the definition of a financial liability.

If a financial instrument must be settled or can be settled with the Group's own equity instruments, it is necessary to consider whether the Group's own equity instruments used to settle the instrument are used as a substitute for cash or other financial assets, or to enable the holders of the instrument to hold the remaining interest in the issuer's assets after deducting all liabilities. If it is the former, the instrument is a financial liability of the Group; if it is the latter, the instrument is an equity instrument of the Group.

(4) Fair value of financial instruments

Fair value is the price that a market participant would pay to sell an asset or transfer a liability in an orderly transaction that occurred on the measurement date.

The Group measures related assets or liabilities at fair value, assuming that the orderly transaction to sell assets or transfer liabilities is carried out in the principal market for related assets or liabilities. If no principal market exists, the Group assumes that the transaction is carried out in the most advantageous market for related assets or liabilities. The principal market (or the most advantageous market) is the transaction market which the Group can enter on the measurement date. The Group adopts the assumptions used by market participants to maximize their economic benefits when pricing the assets or liabilities.

For financial assets or liabilities with an active market, the Group adopts the quoted price in the active market to determine its fair value. For a financial instrument without an active market, the Group adopts valuation techniques to determine its fair value.

When measuring non-financial assets at fair value, the Company considers the ability of market participants to use the assets for the best use to generate economic benefits, or to sell the assets to other market participants who can use the assets for the best use to generate economic benefits.

The Group adopts valuation techniques that are applicable to the current situation and with sufficient data available and other information support and gives priority to the use of the related observable input value. It uses unobservable input values only if the input value cannot be observed or is not feasible.

The assets and liabilities measured or disclosed at fair value in the financial statements are in line with the lowest level of the input values that is important to fair value measurement as a whole to determine the level of fair value. The first level of the input values means an unadjusted quoted price in an active market for the same assets and liabilities available on the measurement date. The second level of the input values are the directly or indirectly observable input values of related assets and liabilities except for the first level of the input values. The third level of the input values are the unobservable input values of related assets and liabilities.

On each balance sheet date, the Group re-assesses the assets and liabilities that are continuously measured at fair value in the financial statements so as to determine whether the conversion occurs at different levels of the fair value measurement.

(5) Impairment of financial assets

Based on expected credit losses, the Group performs impairment accounting on the following items and recognizes loss provisions:

- Financial assets measured at amortized cost;
- Receivables and debt investments measured at fair value through other comprehensive income;
- Contract assets as defined in *Accounting Standards for Business Enterprises No. 14 - Revenue*;
- Lease receivables;
- Financial guarantee contracts (except those that are measured at fair value and whose changes are included in current profits and losses, the transfer of financial assets does not meet the conditions for derecognition, or the financial assets continue to be involved in the transferred financial assets).

Measurement of expected credit losses

Expected credit losses refer to the weighted average of the credit losses of financial instruments with the risk of default as the weight. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received by the Group discounted at the original effective interest rate, that is, the present value of all cash shortfalls.

The Group considers reasonable and well-founded information about past events, current conditions, and predictions of future economic conditions, and weights the risk of default to calculate the difference between the cash flows receivable under the contract and the cash flows expected to be received. The probability-weighted amount of the present value is recognized as the expected credit loss.

The Group measures the expected credit losses of financial instruments at different stages respectively. If the credit risk of a financial instrument has not increased significantly since initial recognition, it is in the first stage, and the Group will measure loss provisions based on the expected credit losses in the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition but has not yet occurred If the financial instrument is credit-impaired, it is in the second stage, and the Group measures the loss provision based on the expected credit losses for the entire duration of the instrument; if the financial instrument has been credit-impaired since initial recognition, it is in the third stage, and the Group measures the expected credit losses for the entire duration of the instrument. The expected credit losses during the duration are measured as loss provisions.

For financial instruments with low credit risk on the balance sheet date, the Group assumes that its credit risk has not increased significantly since initial recognition and measures loss provisions based on expected credit losses within the next 12 months.

Lifetime expected credit losses refer to the expected credit losses caused by all possible default events that may occur during the entire expected life of a financial instrument. Expected credit losses in the next 12 months refer to the default events of financial instruments that may occur within 12 months after the balance sheet date (if the expected duration of the financial instrument is less than 12 months, the expected duration) Expected credit losses are part of the expected credit losses throughout the entire duration.

When measuring expected credit losses, the maximum period that the Group needs to consider is the longest contract period for which the enterprise faces credit risk (including consideration of renewal options).

For financial instruments in the first and second stages and with lower credit risk, the Group calculates interest income based on its Carrying Amount before impairment provisions and actual interest rate. For financial instruments in the third stage, interest income is calculated based on its Carrying Amount minus the amortized cost and actual interest rate after impairment provisions have been made.

For receivables such as notes receivable, accounts receivable, receivable financing, other receivables, and contract assets, if the credit risk characteristics of a certain customer are significantly different from other customers in the portfolio, or the credit risk of the customer If the characteristics of the receivables change significantly, the Group shall make a separate provision for bad debts for the receivables. In addition to the receivables for which bad debt provisions are made individually, the Group divides the receivables into groups based on credit risk characteristics and calculates bad debt provisions on a group basis.

Notes receivable, accounts receivable and contract assets

For notes receivable and accounts receivable, regardless of whether there is a significant financing component, the Group always measures its loss provisions at an amount equivalent to the expected credit losses during the entire duration.

When the information on expected credit losses cannot be assessed at a reasonable cost for a single financial asset, the Group divides notes receivable and accounts receivable into groups based on credit risk characteristics, and calculates expected credit losses on the basis of the groups. The basis for determining the group is as follows:

A. Notes receivable

- Notes Receivable Portfolio 1: Bank Acceptance Bill
- Notes Receivable Portfolio 2: Commercial Acceptance Bill

B. Accounts receivable

- Accounts receivable portfolio 1: Non-related party customers
- Accounts Receivable Portfolio 2: Related Party Customers

For notes receivable and contract assets divided into portfolios, the Group refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates expected credit losses through default risk exposure and the expected credit loss rate throughout the duration.

For accounts receivable divided into portfolios, the Group refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, to prepare a comparison table between the aging/overdue days of accounts receivable and the expected credit loss rate for the entire duration. Calculate expected credit losses. The aging of accounts receivable is calculated from the date of confirmation/the number of overdue days is calculated from the date of expiration of the credit period.

Other receivables

The Group divides other receivables into several combinations based on credit risk characteristics, and calculates expected credit losses on the basis of the combinations. The basis for determining the combinations is as follows:

- Other receivables portfolio 1: Amounts due from non-related parties
- Other receivables portfolio 2: Amounts due from related parties

For other receivables classified into portfolios, the Group calculates expected credit losses through the default risk exposure and the expected credit loss rate within the next 12 months or throughout the duration. For other receivables grouped by aging, the aging is calculated from the date of confirmation.

Debt investment, other debt investment

For debt investments and other debt investments, the Group calculates expected credit based on the nature of the investment and various types of counterparties and risk exposures through default risk exposure and expected credit loss rate within the next 12 months or throughout the duration.

Assessment of significant increase in credit risk

The Group compares the risk of default of a financial instrument on the balance sheet date with the risk of default on the initial recognition date to determine the relative change in the default risk of the financial instrument during its expected duration to assess whether the credit risk of the financial instrument has increased significantly since its initial recognition.

When determining whether the credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information, including forward-looking information, that can be obtained without unnecessary additional cost or effort. Information considered by the Group includes:

- The debtor fails to pay the principal and interest on the due date of the contract;

- An actual or expected significant deterioration in the external or internal credit rating (if any) of the financial instrument;
- The actual or expected serious deterioration in the debtor’s operating results;
- Existing or expected changes in the technological, market, economic or legal environment will have a significant adverse impact on the debtor’s ability to repay the Group’s debt.

Depending on the nature of the financial instrument, the Group assesses whether there is a significant increase in credit risk on the basis of a single financial instrument or a combination of financial instruments. When evaluating based on a portfolio of financial instruments, the Group can classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings.

If it is overdue for more than 30 days, the Group determines that the credit risk of the financial instrument has increased significantly.

The Group believes that financial assets default in the following circumstances:

- It is unlikely that the borrower will pay in full what it owes the Group, an assessment that does not take into account recourse actions by the Group such as the realization of collateral (if held);
- Financial assets are overdue for more than 90 days.

Credit-impaired financial assets

The Group assesses whether credit impairment has occurred on financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income on the balance sheet date. When one or more events occur that have an adverse impact on the expected future cash flows of a financial asset, the financial asset becomes a credit-impaired financial asset. Evidence that a financial asset has been credit-impaired includes the following observable information:

- The issuer or debtor encounters significant financial difficulties;
- The debtor breaches the contract, such as default or overdue payment of interest or principal;
- The Group grants the debtor concessions that it would not have made under any other circumstances due to economic or contractual considerations related to the debtor’s financial difficulties;
- the likelihood that the debtor will go bankrupt or undergo other financial reorganization;
- Financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

Presentation of expected credit loss provisions

In order to reflect changes in the credit risk of financial instruments since initial recognition, the Group re-measures expected credit losses on each balance sheet date, and the resulting increase or reversal of loss provisions shall be accounted for as impairment losses or gains into current profit and loss. For financial assets measured at amortized cost, the loss provision is reduced by the book value of the financial assets listed in the balance sheet; for debt investments measured at fair value through other comprehensive income, the Group’s other comprehensive income. The loss provision is recognized in income and does not deduct the book value of the financial asset.

Write off

If the Group no longer reasonably expects that the contractual cash flows of a financial asset can be fully or partially recovered, it will directly write down the Carrying Amount of the financial asset. Such a write-down constitutes the derecognition of the relevant financial asset. This situation usually occurs when the Group determines that the debtor does not have the assets or sources of income to generate sufficient cash flow to repay the amount that will be written down. However, in accordance with the Group’s procedures for recovering due amounts, financial assets that are written down may still be affected by execution activities.

If a financial asset that has been written down is later recovered, the reversal of the impairment loss will be included in the profit and loss of the current period of recovery.

(6) Financial asset transfer

The transfer of financial assets refers to the transfer or delivery of financial assets to another party (the transfer-in party) other than the issuer of the financial assets.

If the Group has transferred substantially all risks and rewards of ownership of a financial asset to the transferee, the financial asset shall be derecognised; if the Group has retained substantially all risks and rewards of ownership of the financial asset, the financial asset shall not be derecognised.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it shall handle the following situations respectively: if it gives up control of the financial asset, the financial asset shall be derecognised and the assets and liabilities incurred shall be recognized; if it has not given up control of the financial asset, If the financial asset is controlled, the relevant financial assets shall be recognized to the extent of its continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

(7) Offset of financial assets and financial liabilities

When the Group has the legal right to offset the recognized financial assets and financial liabilities and is currently able to enforce such legal rights, and the Group plans to settle on a net basis or to realize the financial assets and pay off the financial liabilities at the same time, the financial assets and financial liabilities will be presented in the balance sheet at the amount after offsetting each other. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other.

11. Inventories

(1) Inventory classification

The Group’s inventories are divided into raw materials, work in progress, inventory goods and turnover materials.

(2) Valuation method for issued inventory

The Group’s inventories are valued at actual cost when acquired. Raw materials, inventory, etc. are priced using the weighted average method when shipped.

(3) Methods of accrual and provision for inventories

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, a provision for inventory depreciation is made.

Net realizable value is the estimated selling price of the inventory minus the estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventories, it is based on the conclusive evidence obtained and the purpose of holding the inventories and the impact of events after the balance sheet date are also considered.

The Group usually accrues inventory depreciation provisions based on individual inventory items. For inventories with large quantities and low unit prices, inventory depreciation provisions are made according to the inventory category.

On the balance sheet date, if the factors that previously caused the inventory value to be written down have disappeared, the inventory depreciation provision shall be reversed within the amount originally accrued.

(4) Inventory system

The Group adopts the perpetual inventory system.

12. Long-term investment

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates. The associates of the Group are those that the Group can exert significant influence on the invested units.

(1) Initial measurement of investment cost

Long-term equity investments resulting from business combinations: For long-term equity investments obtained from business combinations under common control, the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party will be used as the investment cost on the date of merger ; not under the same control For long-term equity investments obtained through a business merger, the investment cost of the long-term equity investment shall be based on the merger cost.

For long-term equity investments obtained by other means: for long-term equity investments obtained by paying cash, the actual purchase price paid will be used as the initial investment cost; for long-term equity investments obtained by issuing equity securities, the fair value of the equity securities issued will be used as the initial investment cost.

(2) Subsequent measurement and profit and loss recognition methods

Investments in subsidiaries are accounted for using the cost method, unless the investment qualifies as held for sale; investments in associates and joint ventures are accounted for using the equity method.

For long-term equity investments accounted for using the cost method, in addition to the actual price paid when acquiring the investment or the cash dividends or profits that have been declared but not yet distributed included in the consideration, the cash dividends or profits declared to be distributed by the investee shall be recognized as investment income for current profit and loss.

For long-term equity investments accounted for using the equity method, if the initial investment cost is greater than the fair value share of the investee's identifiable net assets that should be enjoyed at the time of investment, the investment cost of the long-term equity investment will not be adjusted; if the initial investment cost is less than the investment, the investee's share of the identifiable net assets should be enjoyed If the fair value share of net assets is identified, the book value of the long-term equity investment will be adjusted, and the difference will be included in the current profit and loss of the investment.

When accounting using the equity method, investment income and other comprehensive income are recognized respectively according to the share of the net profit or loss and other comprehensive income realized by the investee that should be enjoyed or shared, and the book value of the long-term equity investment is adjusted at the same time; in accordance with the declaration of the investee The portion of the distributed profits or cash dividends that should be calculated will reduce the book value of the long-term equity investment accordingly; for other changes in the owner's equity of the investee other than net profit and loss, other comprehensive income and profit distribution, the book value of the long-term equity investment will be adjusted and Included in capital reserves (other capital reserves). When confirming the share of the investee's net profits and losses, the fair value of the investee's identifiable assets when the investment is obtained is used as the basis, and in accordance with the Group's accounting policies and accounting periods, the net profit of the investee is determined. Make adjustments and confirm.

If it is possible to exert significant influence on the investee or implement joint control but does not constitute control due to additional investment or other reasons, on the conversion date, the sum of the fair value of the original equity plus the cost of the new investment will be used as the initial investment cost to be accounted for by the equity method. If the original equity is classified as a non-trading equity instrument investment measured at fair value and its changes are included in other comprehensive income, the related cumulative fair value changes originally included in other comprehensive income will be transferred to retained earnings when it is accounted for under the equity method.

If the joint control or significant influence on the invested unit is lost due to the disposal of part of the equity investment or other reasons, the remaining equity after the disposal shall be changed to the Accounting Standards for Business Enterprises No. 22 - Financial Instrument Recognition and Significant Influence on the date of loss of joint control or significant influence. Measurement is used for accounting treatment, and the difference between the fair value and the book value is included in the current profit and loss. Other comprehensive income recognized due to the use of the equity method for accounting in the original equity investment will be accounted for on the same basis as the investee's direct disposal of relevant assets or liabilities when the equity method is terminated; other changes in owner's equity related to the original equity investment Transferred to current profit and loss.

If the control over the invested unit is lost due to the disposal of part of the equity investment or other reasons, and the remaining equity after the disposal can jointly control or exert significant influence on the invested unit, it shall be accounted for according to the equity method, and the remaining equity shall be regarded as owned. Adjustments will be made using the equity method upon acquisition; if the remaining equity after disposal cannot jointly control or exert significant influence on the invested unit, the relevant provisions of Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments will be followed. Accounting treatment, the difference between its fair value and book value on the date of loss of control is included in the current profit and loss.

If the Group's shareholding ratio decreases due to capital increase by other investors, thereby losing control but it can exercise joint control or exert significant influence on the invested unit, the Group's share of the invested unit due to the capital increase shall be confirmed based on the new shareholding ratio. The difference between the share of net assets increased due to share expansion and the original book value of the long-term equity investment corresponding to the decrease in shareholding ratio that should be carried forward is included in the current profit and loss; then, the new shareholding ratio is deemed to have been calculated since the investment was obtained. That is, adjustments are made using the equity method of accounting.

Unrealized gains and losses from internal transactions between the Group and its associates and joint ventures are calculated based on the shareholding ratio and are attributable to the Group, and investment gains and losses are recognized on an offsetting basis. However, if the unrealized internal transaction losses between the Group and the investee are impairment losses on the transferred assets, they will not be offset.

(3) Basis for determining joint control and significant influence on the invested unit

Joint control refers to the shared control over an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be decided only with the unanimous consent of the participants sharing control rights. When judging whether there is joint control, first judge whether the arrangement is collectively controlled by all participants or a combination of participants, and secondly whether decisions on activities related to the arrangement must be unanimously agreed upon by the participants who collectively control the arrangement. If all participants or a group of participants must act in concert to determine the relevant activities of an arrangement, all participants or a group of participants are considered to collectively control the arrangement; if there are two or more combinations of participants that can collectively Control of an arrangement does not constitute joint control. When determining whether joint control exists, the protective rights enjoyed are not taken into account.

Significant influence means that the investor has the power to participate in decision-making on the financial and operating policies of the investee, but it is not able to control or jointly control the formulation of these policies with other parties. When determining whether it can exert a significant influence on the investee, it is considered that the investor's direct or indirect holdings of voting shares in the investee and the current executable potential voting rights held by the investor and other parties are assumed to be converted into control over the investee. The impact arising from the acquisition of equity includes the impact of current convertible warrants, share options and convertible corporate bonds issued by the investee.

When the Group directly or indirectly through subsidiaries owns more than 20% (inclusive) but less than 50% of the voting shares of the invested unit, it is generally considered to have a significant influence on the invested unit, unless there is clear evidence that this situation It is unable to participate in the production and operation decisions of the invested unit and does not have a significant impact; when the Group owns less than 20% (exclusive) of the voting shares of the invested unit, it is generally not considered to have a significant impact on the invested unit, unless there is clear evidence that this Under such circumstances, we can participate in the production and operation decisions of the invested unit and have a significant influence.

(4) Impairment testing method and impairment provision accrual method

For investments in subsidiaries, associates and joint ventures, please refer to Note for the method of calculating asset impairment.

13. Investment properties

Investment properties is property held to earn rentals or for capital appreciation, or both. The Group's investment properties include leased land use rights, land use rights held and prepared to be transferred after appreciation, and leased buildings.

There is an active real estate trading market in the location where the Group's investment properties is located, and the Group is able to obtain market prices and other relevant information of similar or similar real estate from the real estate trading market, so that it can make a reasonable estimate of the fair value of the investment real estate. Therefore, the Group adopts the fair value model for subsequent measurement of investment real estate, and changes in fair value through profit and loss.

When determining the fair value of investment properties, refer to the current market price of the same or similar real estate in the active market; if the current market price of the same or similar real estate cannot be obtained, refer to the latest transaction price of the same or similar real estate in the active market, and Consider the transaction situation, transaction date, location and other factors to make a reasonable estimate of the fair value of the investment property; or determine its fair value based on the expected future rental income and the present value of the relevant cash flows.

In rare cases, if there is evidence that the Group acquires an investment property that is not under construction for the first time (or an existing property becomes an investment property for the first time after completing construction or development activities or changing its use), the Group will If the fair value of investment real estate cannot be obtained continuously and reliably, the investment real estate will be measured using the cost model until disposal, and it is assumed that there is no residual value.

The difference between the disposal income from the sale, transfer, scrapping or damage of investment properties after deducting its book value and relevant taxes is included in the current profit and loss.

14. Fixed assets

(1) Fixed asset recognition conditions

The Group's fixed assets refer to tangible assets held for the production of goods, provision of labour services, leasing or operation and management, and with a useful life of more than one accounting year.

A fixed asset can only be recognized when the economic benefits related to the fixed asset are likely to flow into the enterprise and the cost of the fixed asset can be measured reliably.

The Group's fixed assets are initially measured based on the actual cost when acquired.

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Group and their costs can be reliably measured; daily repair costs of fixed assets that do not meet the conditions for subsequent expenditures for capitalization of fixed assets shall be included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Group and their costs can be measured reliably. When incurred, it shall be included in the current profit and loss or included in the cost of related assets according to the beneficiary object. For the replaced part, its book value is derecognized.

(2) Depreciation methods

Depreciation methods for various types of fixed assets Fixed assets are depreciated using the straight-line method based on their costs less estimated residual values over their estimated useful lives Depreciation begins when a fixed asset reaches its intended usable condition, and depreciation stops when it is derecognized or classified as a non-current asset held for sale. Without considering impairment provisions, the Group determines the annual depreciation rates of various types of fixed assets based on fixed asset category, estimated service life and estimated residual value as follows:

Category	Depreciation methods	Useful lives (years)	Residual rate%	Annual depreciation rate %
Buildings	The life average method	20-35 years	5%	4.75% to 2.71%
Machinery equipment	The life average method	8-20 years	5%	11.88% to 4.75%
Transportation and Others	The life average method	5-8 years	0	20% to 12.50%

Among them, for fixed assets for which impairment provisions have been made, the depreciation rate should also be calculated and determined by deducting the accumulated amount of fixed asset impairment provisions.

(3) Note for the impairment testing method and impairment provision accrual method for fixed assets.

(4) At the end of each year, the Group reviews the useful life, estimated net residual value and depreciation method of fixed assets.

If there is a difference between the estimated useful life and the original estimate, the useful life of the fixed assets will be adjusted; if there is a difference between the expected net residual value and the original estimate, the estimated net residual value will be adjusted.

(5) Fixed asset disposal

When a fixed asset is disposed of or no economic benefits are expected to be generated through use or disposal, the fixed asset is derecognised. The amount of disposal income from the sale, transfer, scrapping or damage of fixed assets after deducting their book value and relevant taxes is included in the current profit and loss.

15. Construction in progress

The cost of the Group's construction-in-progress is determined based on actual project expenditures, including various necessary project expenditures incurred during the construction period, borrowing costs that should be capitalized before the project reaches its intended usable state, and other related expenses.

Construction in progress is transferred to fixed assets when it reaches the intended usable state. The criteria for judging the intended usable status should meet one of the following conditions: The physical construction (including installation) of the fixed assets has been completed or substantially completed, trial production or trial operation has been carried out, and the results show that the assets can operate normally. Or it can produce stably, or the trial operation results show that it can operate normally. The amount of expenditure on the fixed assets constructed is very small or almost no longer occurs, and the fixed assets purchased have met the design or contract requirements, or are basically consistent with the design or contract requirements.

Note for the method of accruing asset impairment for construction in progress.

The Group's engineering materials refer to various materials prepared for projects under construction, including engineering materials, equipment that has not yet been installed, and tools and equipment prepared for production.

The purchased engineering materials are measured at cost, the engineering materials received are transferred to the project under construction, and the remaining engineering materials after the completion of the project are transferred to inventory.

Note for the asset impairment method of construction materials.

In the balance sheet, the closing balance of construction materials is listed in the “Construction in Progress” item.

16. Borrowing costs

(1) Recognition principles for capitalization of borrowing costs

If the borrowing costs incurred by the Group are directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions, they shall be capitalized and included in the cost of the relevant assets; other borrowing costs shall be recognized as expenses based on the amount incurred when incurred and shall be included in the cost of the relevant assets for current profit and loss. Borrowing costs will begin to be capitalized if they meet the following conditions at the same time:

1) Asset expenditures have occurred. Asset expenditures include expenditures in the form of cash payments, transfers of non-cash assets or interest-bearing debts for the acquisition, construction or production of assets that meet capitalization conditions;

2) The borrowing costs have been incurred;

3) The necessary purchase, construction or production activities to bring the asset to its intended usable or saleable state have begun.

(2) Borrowing cost capitalization period

When the assets purchased, constructed or produced by the Group that meet the capitalization conditions are ready for intended use or sale, the capitalization of borrowing costs will cease. Borrowing costs incurred after the assets that meet the capitalization conditions reach the intended usable or saleable state are recognized as expenses based on the amount incurred when incurred and included in the current profit and loss.

If an asset that meets the capitalization conditions is abnormally interrupted during the acquisition, construction or production process, and the interruption lasts for more than 3 months, the capitalization of borrowing costs will be suspended; the borrowing costs during the normal interruption period will continue to be capitalized.

(3) Calculation method of capitalization rate of borrowing costs and capitalization amount

The interest expenses actually incurred on special borrowings in the current period, minus the interest income from unused borrowed funds deposited in banks or investment income from temporary investments, are capitalized; general borrowings are capitalized based on the excess of the accumulated asset expenditures over the special borrowings. The capitalization amount is determined by multiplying the weighted average of asset expenditures by the capitalization rate of the general borrowings occupied. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

During the capitalization period, all exchange differences on special foreign currency borrowings are capitalized; exchange differences on general foreign currency borrowings are included in the current profits and losses.

17. Intangible assets

(1) Useful life and its determination basis, estimation, amortization method, or review procedure

The Group’s intangible assets include land use rights, patent rights and proprietary technologies, mineral mining rights and others.

Intangible assets are initially measured based on cost, and their service life is analysed and judged when the intangible assets are acquired. If the service life is limited, from the time when the intangible asset becomes available for use, an amortization method that can reflect the expected realization method of the economic benefits related to the asset shall be used, and amortization will be amortized within the estimated useful life; if the expected realization method cannot be reliably determined, Amortization is carried out using the straight-line method; intangible assets with indefinite service life are not amortized.

The amortization method of intangible assets with limited useful life is as follows:

Category	Useful lives (years)	Basis for determining service life	Amortization method	Notes
Land use rights	30-70 years	Warrant	Straight-line Depreciation	
Patent rights and proprietary technologies	5-20 years	Estimated useful life	Straight-line Depreciation	
Exploitation rights	16-20 years	Warrants, expected income period	Straight-line Depreciation	
Others	2-10 years	Estimated useful life	Straight-line Depreciation	

At the end of each year, the Group reviews the useful life and amortization method of intangible assets with limited service life. If it is different from the previous estimate, the original estimate is adjusted and treated as a change in accounting estimate.

If it is expected that an intangible asset will no longer bring future economic benefits to the enterprise on the balance sheet date, the entire book value of the intangible asset will be transferred to the current profit and loss.

Note for the method of impairment for intangible assets.

(2) The scope of R&D expenditure collection and the related accounting treatment

The Group's R&D expenditures are expenditures directly related to the company's R&D activities, including R&D staff salaries, direct investment costs, depreciation expenses and long-term deferred expenses, design expenses, equipment commissioning expenses, intangible asset amortization expenses, entrusted external research and development expenses, other expenses etc. The wages of R&D personnel are included in R&D expenditures based on project working hours. Equipment, production lines, and sites shared between R&D activities and other production and operation activities are included in R&D expenses according to the proportion of working hours and the proportion of area.

The Group divides expenditures on internal research and development projects into expenditures in the research phase and expenditures in the development phase.

Expenditures in the research stage are included in the current profits and losses when incurred.

Expenditures in the development stage can only be capitalized if they meet the following conditions: it is technically feasible to complete the intangible asset so that it can be used or sold; there is the intention to complete the intangible asset and use or sell it; the intangible asset The way to generate economic benefits includes being able to prove that there is a market for the products produced using the intangible assets or that the intangible assets themselves have a market. If the intangible assets will be used internally, they can prove their usefulness; there are sufficient technical, financial and other resource supports, in order to complete the development of the intangible asset and have the ability to use or sell the intangible asset; the expenditures attributable to the development stage of the intangible asset can be measured reliably. Development expenditures that do not meet the above conditions are included in the current profit and loss.

The Group’s research and development projects will enter the development stage after meeting the above conditions and passing technical feasibility and economic feasibility studies to form a project.

Capitalized expenditures in the development phase are listed as development expenditures on the balance sheet and are converted into intangible assets from the date the project reaches its intended use.

Capitalization conditions for specific R&D projects:

Expenditures in the research stage are included in the current profits and losses when incurred. Before large-scale production, expenditures related to the design and testing phase of the final application of the production process are expenditures in the development phase. If the following conditions are met at the same time, they will be capitalized:

·The development of the production process has been fully demonstrated by the technical team;

·Management has approved the budget for production process development;

·The research and analysis of the preliminary market research shows that the products produced by the production process have market promotion capabilities;

·Have sufficient technical and financial support to carry out production process development activities and subsequent large-scale production; and the expenditure on production process development can be reliably collected. If it is impossible to distinguish between expenditures in the research stage and expenditures in the development stage, all R&D expenditures incurred will be included in the current profit and loss.

18. Long-term assets impairment

For subsidiaries’ long-term investments, fixed assets, construction in process, right-of-use assets, intangible assets, goodwill, etc. (excluding inventories, investment properties measured according to the fair value model, deferred tax assets, and financial assets) value, determined as follows:

On the balance sheet date, it is judged whether there are any signs of possible impairment of the assets. If there are signs of impairment, the Group will estimate its recoverable amount and conduct an impairment test. Goodwill formed due to business combinations, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable state are subject to impairment testing every year regardless of whether there are signs of impairment.

The recoverable amount is determined based on the higher of the asset’s fair value less disposal costs and the present value of the asset’s expected future cash flows. The Group estimates the recoverable amount on the basis of a single asset; if it is difficult to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the asset group based on the asset group to which the asset belongs. The identification of an asset group is based on whether the main cash inflow generated by the asset group is independent of the cash inflows of other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its book value, the Group will write down its book value to the recoverable amount, and the amount of the write-down will be included in the current profit and loss, and the corresponding asset impairment provision will be made.

As far as the impairment test of goodwill is concerned, the book value of goodwill formed due to a business combination shall be apportioned to the relevant asset group in a reasonable manner from the date of purchase; if it is difficult to apportion it to the relevant asset group, it shall be apportioned to the relevant asset group. Related asset group combinations. The relevant asset group or asset group combination is an asset group or asset group combination that can benefit from the synergy effects of the business combination, and is no larger than the reporting segment determined by the group.

During impairment testing, if there are signs of impairment in an asset group or combination of asset groups related to goodwill, first conduct an impairment test on the asset group or combination of asset groups that does not include goodwill, calculate the recoverable amount, and confirm the corresponding impairment. Then conduct an impairment test on the asset group or asset group combination containing goodwill, and compare its book value with the recoverable amount. If the recoverable amount is lower than the book value, the impairment loss of goodwill is recognized.

Once the asset impairment loss is recognized, it will not be reversed in subsequent accounting periods.

19. Long-term prepaid expenses

The long-term deferred expenses incurred by the Group are measured at actual cost and amortized evenly over the expected beneficial period. For long-term deferred expense items that cannot benefit future accounting periods, their amortized value shall be fully included in the current profit and loss.

20. Employee benefits

(1) Accounting for Short-term compensation

During the accounting period when employees provide services, the Group recognizes the actual employee wages, bonuses, social insurance premiums such as medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums, and housing provident funds paid for employees based on prescribed standards and proportions as liabilities and included in the current profit and loss or related asset costs.

(2) Accounting for Post-employment benefits

Post-employment benefit plans include defined contribution plans and defined benefit plans. Among them, a defined contribution plan refers to a post-employment benefit plan in which the enterprise no longer bears further payment obligations after depositing a fixed fee into an independent fund; a defined benefit plan refers to a post-employment benefit plan other than a defined contribution plan.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance, etc.

During the accounting period when employees provide services, the deposit amount payable calculated according to the defined contribution plan is recognized as a liability and included in the current profit and loss or related asset costs.

(3) Accounting for Termination benefits

If the Group provides dismissal benefits to employees, the employee compensation liabilities arising from the dismissal benefits will be recognized at the earliest of the following two times and included in the current profit and loss: When the Group cannot unilaterally withdraw the dismissal benefits provided due to the termination of labour relations plan or layoff proposal; When the Group recognizes costs or expenses related to restructuring involving payment of termination benefits.

(4) Accounting for Other long-term benefits

Other long-term employee benefits provided by the Group to employees that meet the conditions of a defined contribution plan will be handled in accordance with the above-mentioned relevant regulations on defined contribution plans. If it is in compliance with the defined benefit plan, it shall be handled in accordance with the relevant provisions on the defined benefit plan mentioned above, but the “changes caused by the remeasurement of the net liabilities or net assets of the defined benefit plan” in the relevant employee compensation costs shall be included in the current profit and loss or related Asset cost.

21. Estimated liabilities

If the obligations related to contingencies meet the following conditions at the same time, the Group will recognize them as estimated liabilities:

(1) The obligation is a current obligation borne by the Group;

(2) The performance of this obligation is likely to result in the outflow of economic benefits from the Group;

(3) The amount of the obligation can be measured reliably.

Estimated liabilities are initially measured based on the best estimate of the expenditure required to fulfil the relevant current obligations, and factors such as risks, uncertainties, and time value of money related to contingencies are comprehensively considered. If the time value of money has a significant impact, the best estimate is determined by discounting the relevant future cash outflows. The Group reviews the book value of estimated liabilities on the balance sheet date and adjusts the book value to reflect the current best estimate.

If all or part of the expenses required to settle the recognized estimated liabilities are expected to be compensated by a third party or other parties, the compensation amount can only be recognized separately as an asset when it is basically certain that it will be received. The amount of compensation recognized shall not exceed the book value of the liability recognized.

22. Revenue

(1) General principles

The Group recognizes revenue when it fulfils its performance obligations in the contract, that is, when the customer obtains control of the relevant goods or services.

If the contract contains two or more performance obligations, the Group will allocate the transaction price to each individual performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation on the contract commencement date. Revenue is measured at the transaction price of each individual performance obligation.

When one of the following conditions is met, the performance obligation is performed within a certain period of time; otherwise, the performance obligation is performed at a certain point in time:

1) When the Group performs the contract, the customer obtains and consumes the economic benefits brought by the Group’s performance.

2) Customers can control the goods under construction during the performance of the contract by the Group.

3) The goods produced by the Group during the performance of the contract have irreplaceable uses, and the Group has the right to collect payment for the cumulative performance part completed so far during the entire contract period.

For performance obligations fulfilled within a certain period of time, the Group recognizes revenue based on the performance progress within that period of time. When the progress of contract performance cannot be reasonably determined, if the costs incurred by the Group are expected to be compensated, revenue will be recognized based on the amount of costs incurred until the progress of contract performance can be reasonably determined.

For performance obligations fulfilled at a certain point in time, the Group recognizes revenue at the point when the customer obtains control of the relevant goods or services. When determining whether a customer has obtained control of goods or services, the Group will consider the following signs:

1) The Group has the current right to receive payment for the goods or services, that is, the customer has current payment obligations for the goods.

2) The Group has transferred the legal ownership of the goods to the customer, which means that the customer already owns the legal ownership of the goods.

3) The Group has physically transferred the goods to the customer, that is, the customer has physically taken possession of the goods.

4) The Group has transferred the main risks and rewards of ownership of the commodity to the customer, that is, the customer has obtained the main risks and rewards of ownership of the commodity.

5) The customer has accepted the goods or services.

6) Other signs indicating that the customer has obtained control of the product.

(2) Specific method

The Group's revenue mainly comes from the following business types: sales of products, external provision of consulting and processing services.

Selling goods

Products sold The Group produces and sells float glass, photovoltaic glass, engineering glass, solar industry related products, electronic glass and display device, etc.

For domestic sales, the Group transports the products to the agreed delivery location in accordance with the agreement or picks it up by the buyer. Revenue is recognized after the buyer confirms receipt or pick-up.

For export sales, the Group recognises the revenue when it finished clearing goods for export and deliver the goods on board the vessel, or when the goods are delivered to a certain place specified in the contract.

For solar energy and other industries' photovoltaic power generation revenue, the Group recognizes the electricity when it is supplied to the provincial power grid company where each electric field is located, uses the settled electricity volume confirmed by both parties as the electricity sales for that month, and uses the on-grid electricity price approved by the National Development and Reform Commission or the electricity price agreed in the contract as the sales unit price.

The credit periods granted by the Group to customers in various industries are consistent with the practices of various industries, and there is no significant financing component.

The Group provides product quality assurance for the products sold and recognizes corresponding estimated liabilities.The Group does not provide any additional services or additional quality assurance, so the product quality assurance does not constitute a separate performance obligation.

Glass products with sales return clauses, revenue recognition is limited to the amount of accumulated recognized revenue that is unlikely to result in a significant reversal. The Group recognizes liabilities based on the expected return amount, and at the same time, recognizes the balance as an asset based on the book value of the goods expected to be returned when the goods are transferred, minus the expected costs of recovering the goods (including the impairment of the value of the returned goods).

Provide consulting and processing services

The Group provides external consulting and processing services because customers obtain and consume the economic benefits brought by the company's performance of the contract while the company performs the contract. The Group recognizes revenue based on the progress of contract performance. The progress of contract performance is determined based on the proportion of costs incurred to the estimated total costs. On the balance sheet date, the Group re-estimates the performance progress of completed services to reflect changes in performance.

When the Group recognizes revenue based on the progress of completed services, the portion for which the Group has obtained the unconditional right to receive payment is recognized as accounts receivable, and the remaining portion is recognized as contract assets. Accounts receivable and contract assets are recognized as expected credit losses. Loss provisions are recognized as the basis; if the contract price received or receivable by the Group exceeds the labour services completed, the excess will be recognized as contract liabilities. The Group's contract assets and contract liabilities under the same contract are presented on a net basis.

23. Contract costs

Contract costs include incremental costs incurred to obtain the contract and contract performance costs.

The incremental costs incurred to obtain the contract refer to costs that the company would not have incurred if it had not obtained the contract (such as sales commissions, etc.). If the cost is expected to be recovered, the company will recognize it as the contract acquisition cost and as an asset. Other expenses incurred by the Company to obtain the contract, except for the incremental costs expected to be recovered, are included in the current profits and losses when incurred.

If the cost incurred to fulfil the contract does not fall within the scope of other accounting standards for enterprises such as inventory and meets the following conditions, the company will recognize it as an asset as the contract performance cost:

1) The cost is directly related to a current or expected contract, including direct labour, direct materials, manufacturing overhead (or similar expenses), costs clearly borne by the customer, and other costs incurred solely because of the contract;

2) This cost increases the Company's resources for fulfilling its performance obligations in the future;

3) The cost is expected to be recovered.

Assets recognized for contract acquisition costs and assets recognized for contract performance costs (hereinafter referred to as "assets related to contract costs") are amortized on the same basis as the recognition of revenue from goods or services related to the assets and included in the current profit and loss.

When the book value of assets related to contract costs is higher than the difference between the following two items, the company makes impairment provisions for the excess and recognizes it as asset impairment losses:

1) The remaining consideration that the company expects to obtain from the transfer of goods or services related to the asset;

2) The estimated cost that will be incurred to transfer the relevant goods or services.

24. Government subsidies

Government subsidies are recognized when the conditions attached to the government subsidies are met and can be received.

Government subsidies for monetary assets are measured based on the amount received or receivable. Government subsidies for non-monetary assets are measured at fair value; if the fair value cannot be obtained reliably, they are measured at a nominal amount of 1 yuan.

Government subsidies related to assets refer to government subsidies obtained by the Group for the purchase, construction or other formation of long-term assets; in addition, government subsidies related to income are regarded as government subsidies.

For government documents that do not clearly stipulate the subsidy objects and can form long-term assets, the part of the government subsidy corresponding to the asset value shall be regarded as the government subsidy related to the asset, and the remaining part shall be regarded as the government subsidy related to income; if it is difficult to distinguish, the government subsidy shall be regarded as the government subsidy related to the asset. The whole is regarded as a government subsidy related to income.

Government subsidies related to assets are recognized as deferred income and are included in profits and losses in instalments according to a reasonable and systematic method during the use period of the relevant assets. If government subsidies related to income are used to compensate for relevant costs or losses that have already occurred, they will be included in the current profits and losses; if they are used to compensate for relevant costs or losses in subsequent periods, they will be included in deferred income and will be included in the relevant costs or losses. The loss is included in the current profit and loss during the period during which the loss is recognized. Government subsidies measured according to the nominal amount are directly included in the current profit and loss. The Group adopts a consistent approach to the same or similar government subsidy business.

Government subsidies related to daily activities shall be included in other income according to the economic business essence. Government subsidies unrelated to daily activities are included in non-operating income.

When a confirmed government subsidy needs to be returned, if the book value of the relevant assets is offset at the time of initial recognition, the book value of the assets is adjusted; if there is a balance of relevant deferred income, the Carrying Amount of the relevant deferred income is offset, and the excess is included in the current profit and loss; in other cases, it will be directly included in the current profit and loss.

25. Deferred tax assets and deferred tax liabilities

Income tax includes current income tax and deferred income tax. Except for adjustments to goodwill arising from business combinations, or deferred income taxes related to transactions or events directly included in owners' equity, which are included in owners' equity, they are all included in current profits and losses as income tax expenses.

The Group adopts the balance sheet liability method to recognize deferred income tax based on the temporary differences between the book values of assets and liabilities on the balance sheet date and their tax basis.

Each taxable temporary difference is recognized as a related deferred income tax liability, unless the taxable temporary difference is generated in the following transactions:

(1) Initial recognition of goodwill, or the initial recognition of assets or liabilities arising from a transaction with the following characteristics: the transaction is not a business combination, and the transaction affects neither accounting profits nor taxable income when the transaction occurs initial recognition (Except for individual transactions that result in equal amounts of taxable temporary differences and deductible temporary differences arising from the assets and liabilities);

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures and associates, the time of reversal of the temporary differences can be controlled and the temporary differences are likely not to be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward to future years, the Group shall use it to offset the deductible temporary differences, deductible losses and tax credits to the extent that it is probable that it will be available. The deferred income tax assets generated will be recognized to the limit of the future taxable income, unless the deductible temporary difference is generated in the following transactions:

(1) The transaction is not a business combination, and when the transaction occurs, it affects neither accounting profits nor taxable income (a single transaction in which the initial recognition of assets and liabilities results in an equal amount of taxable temporary differences and deductible temporary differences are excepted);

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures and associates, and if the following conditions are met at the same time, the corresponding deferred income tax assets are recognized: the temporary differences are likely to be reversed in the foreseeable future. And it is likely to obtain taxable income in the future that can be used to offset deductible temporary differences.

On the balance sheet date, the Group's deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the period when the asset is expected to be recovered or the liability is settled, and the income tax impact of the expected method of recovering the asset or settling the liability on the balance sheet date is reflected.

On the balance sheet date, the Group reviews the book value of deferred income tax assets. If it is probable that sufficient taxable income will not be available in future periods to offset the benefits of deferred tax assets, the carrying amount of the deferred tax assets will be reduced. The amount of the write-down is reversed when it is probable that sufficient taxable income will be obtained.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented as the net amount after offsetting when the following conditions are met at the same time:

(1) The tax payer within the group has the legal right to settle current income tax assets and current income tax liabilities on a net basis;

(2) Deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax collection and administration department on the same taxpayer within the group.

26. Leases

On the contract inception date, the Group, as a lessee or lessor, evaluates whether the customer in the contract has the right to obtain substantially all the economic benefits generated from the use of the identified assets during the use period, and has the right to direct the use of the identified assets during the use period. If a party in a contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the Group determines that the contract is a lease or contains a lease.

(1) The accounting policies for right-of-use assets are shown in Note.

Lease liabilities are initially measured based on the present value of the unpaid lease payments at the beginning of the lease term using the interest rate implicit in the lease.

If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments include: fixed payments and substantive fixed payments, if there are lease incentives, the amount related to lease incentives is deducted; variable lease payments that depend on the index or ratio; the exercise price of the purchase option, provided that the lessee is reasonable It is certain that the option will be exercised; the amount required to be paid to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be paid based on the residual value of the guarantee provided by the lessee. Subsequently, the interest expense of the lease liability for each period during the lease term is calculated based on the fixed periodic interest rate and included in the current profit and loss. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when actually incurred.

Short-term lease

A short-term lease refers to a lease with a lease term of no more than 12 months on the start date of the lease period, except for leases that include a purchase option.

The Group will include the lease payments of short-term leases into the relevant asset costs or current profits and losses on a straight-line basis during each period of the lease term.

Low-value asset leasing

Low-value asset leases refer to leases where the value of a single leased asset is less than 100,000 yuan when it is a brand-new asset.

The Group will include the lease payments for low-value asset leases into the relevant asset costs or current profits and losses on a straight-line basis during each period of the lease term.

For low-value asset leases, the Group chooses to adopt the above simplified treatment method based on the specific circumstances of each lease.

Lease changes

If a lease changes and the following conditions are met at the same time, the Group will account for the lease change as a separate lease: 1) The lease change expands the scope of the lease by adding the right to use one or more leased assets; 2) Increased The consideration is equivalent to the individual price of the extended portion of the lease, adjusted for the circumstances of the contract.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Group re-allocates the consideration of the contract after the change, re-determines the lease term, and calculates it based on the changed lease payment and the revised discount rate. Present value remeasurement of the lease liability.

If a change in the lease results in a reduction in the scope of the lease or a shortening of the lease period, the Group will accordingly reduce the book value of the right-of-use assets, and include the gains or losses related to the partial or complete termination of the lease into the current profits and losses.

If other lease changes result in the remeasurement of lease liabilities, the Group will adjust the book value of the right-of-use assets accordingly.

(2) The accounting policies for the Group acts as lessor

When the Group acts as a lessor, leases that substantially transfer all risks and rewards related to asset ownership are recognized as finance leases, and leases other than finance leases are recognized as operating leases.

Financial lease

In financial leases, the Group’s net lease investment on the date of the lease term is recorded as the accounting value of finance lease receivables. The net lease investment is the unguaranteed residual value and the lease receivables that have not been received on the date of the lease term are calculated based on the amount included in the lease. The sum of present values discounted with interest rates. As the lessor, the Group calculates and recognizes interest income for each period during the lease term based on fixed periodic interest rates. Variable lease payments obtained by the Group as a lessor that are not included in the measurement of the net lease investment are included in the current profit and loss when actually incurred.

The derecognition and impairment of finance lease receivables shall be accounted for in accordance with the provisions of *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* and *Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets*.

Operating lease

For rents in operating leases, the Group recognizes current profits and losses according to the straight-line method in each period during the lease term. The initial direct expenses incurred in connection with the operating lease shall be capitalized, amortized during the lease period on the same basis as the rental income recognition, and included in the current profit and loss in instalments. Variable lease payments related to operating leases that are not included in the lease receipts are included in the current profit and loss when they actually occur.

Lease changes

If an operating lease changes, the Group will account for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable related to the lease before the change is regarded as the amount of receipts from the new lease.

If a financial lease changes and the following conditions are met at the same time, the Group will account for the change as a separate lease: 1) The change expands the scope of the lease by adding the right to use one or more leased assets; 2) The increased consideration. The amount is equivalent to the individual price of the extended portion of the lease adjusted for the circumstances of the contract.

If a financial lease is changed and is not accounted for as a separate lease, the Group will treat the changed lease under the following circumstances: 1) If the change takes effect on the lease commencement date, the lease will be classified as an operating lease, and the Group will From the effective date of the lease change, it will be accounted for as a new lease, and the net lease investment before the effective date of the lease change will be used as the book value of the leased asset; 2) If the change takes effect on the lease commencement date, the lease will be classified as financing For leases, the Group shall conduct accounting treatment in accordance with the provisions of *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* regarding modification or renegotiation of contracts.

27. Critical accounting policies and accounting estimates

Safety production costs

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

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

(b) 2.25% for the revenue between RMB10 million to RMB100 million (inclusive) of the year;

(c) 0.55% for the revenue between RMB100 million to RMB1 billion (inclusive) of the year;

(d) 0.2% for the revenue above RMB1 billion of the year.

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

Significant accounting judgments and estimates

The Group continuously evaluates the important accounting estimates and key assumptions adopted based on historical experience and other factors, including reasonable expectations for future events. The important accounting estimates and key assumptions that are likely to cause a significant adjustment in the book value of assets and liabilities in the next fiscal year are as follows:

Classification of financial assets

The Group’s significant judgments involved in determining the classification of financial assets include analysis of business models and contractual cash flow characteristics.

Factors considered include the way to evaluate and report the performance of financial assets to key management personnel, the risks that affect the performance of financial assets and their management methods, and relevant business managers. How to get paid, etc.

When the Group evaluates whether the contractual cash flows of financial assets are consistent with the basic lending arrangements, it makes the following main judgments: whether the time distribution or amount of the principal may change during the duration due to early repayment; whether the interest is only Includes time value of money, credit risk, other fundamental lending risks and consideration against costs and profits. For example, whether the amount of early repayment only reflects the unpaid principal and interest based on the unpaid principal, as well as reasonable compensation paid for early termination of the contract.

Measurement of expected credit losses on accounts receivable

The Group calculates the expected credit losses of accounts receivable through the default risk exposure of accounts receivable and the expected credit loss rate, and determines the expected credit loss rate based on the probability of default and the loss given default rate. When determining the expected credit loss rate, the Group uses internal historical credit loss experience and other data, and adjusts historical data based on current conditions and forward-looking information. When considering forward-looking information, the Group uses indicators including the risk of economic downturn, changes in the external market environment, technical environment and customer conditions. The Group regularly monitors and reviews assumptions related to the calculation of expected credit losses.

Impairment of Fixed Assets and Construction in Progress

As of the balance sheet date, the Company assesses whether there are any indications of impairment for non-current assets other than financial assets. When there are indications that the carrying amount of an asset cannot be recovered, impairment testing is conducted.

Impairment occurs when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of the net amount after deducting disposal costs from fair value and the present value of estimated future cash flows. The net amount after deducting disposal costs from fair value is determined by referencing the sales agreement prices of similar assets in fair transactions or observable market prices, minus incremental costs directly attributable to the asset's disposal. Significant judgments are made regarding the expected future cash flow present value, including the asset's (or asset group's) output, selling price, relevant operating costs, and the discount rate used in the present value calculation. The Company utilizes all relevant information available to estimate the recoverable amount, including forecasts of output, selling prices, and related operating costs based on reasonable and supportable assumptions.

Goodwill impairment

The Group assesses whether goodwill is impaired at least annually. This requires an estimate of the value in use of the asset group to which goodwill is assigned. When estimating value in use, the Group needs to estimate future cash flows from the asset group and select an appropriate discount rate to calculate the present value of future cash flows.

R&D expenditure

When determining the amount to be capitalized, management must make assumptions regarding the expected future cash generation of the asset, the discount rate that should be applied, and the expected period of benefit.

Deferred tax assets

Deferred tax assets should be recognized for all unused tax losses to the extent that it is probable that sufficient taxable profits will be available against which the losses can be utilised. This requires management to use a lot of judgment to estimate the timing and amount of future taxable profits, combined with tax planning strategies, to determine the amount of deferred income tax assets that should be recognized.

28. Changes in important accounting policies and accounting estimates

(1) Important changes in accounting policies

Accounting Standards for Business Enterprises Interpretation No. 17

The Ministry of Finance issued the *Interpretation No. 17 of Accounting Standards for Business Enterprises* (Financial Accounting [2023] No. 21) in October 2023 (hereinafter referred to as "Interpretation No. 17"). It further standardized and clarified the classification of current and non-current liabilities, disclosure of supplier financing arrangements and accounting treatments of sale and leaseback transactions, which was effective from 1 January, 2024.

The adoption of Interpretation No. 17 had no significant impact on the financial condition and operating results of the Group.

VI. TAXATION

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

Category	Taxable basis	Tax rate
Enterprise income tax	Taxable income	16.5%. 25%
Value-added tax (“VAT”)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible VAT input of the current period)	3%-13%
Urban maintenance and construction tax	Actual amount of turnover tax paid	1%-7%
Educational surtax	Actual amount of turnover tax paid	5%

2. Tax incentives

Tianjin CSG Energy-Saving Glass Co., Ltd. (“Tianjin Energy Conservation”) passed review on a high and new tech enterprise in 2021 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2021. As the company is currently going through the 2024 review of its high and new tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

Dongguan CSG Architectural Glass Co., Ltd. (“Dongguan CSG”) passed review on a high and new tech enterprise in 2022 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2022.

Wujiang CSG East China Architectural Glass Co., Ltd. (“Wujiang CSG Engineering”) passed review on a high and new tech enterprise in 2023 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 2023.

Dongguan CSG Solar Glass Co., Ltd. (“Dongguan CSG Solar”) passed review on a high and new tech enterprise in 2023 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 2023.

Yichang CSG Polysilicon Co., Ltd. (“Yichang CSG Polysilicon”) passed review on a high and new tech enterprise in 2023 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 2023.

Dongguan CSG PV-tech Co., Ltd. (“Dongguan CSG PV-tech”) passed review on a high and new tech enterprise in 2022 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2022.

Hebei Shichuang Glass Co., Ltd. (“Hebei Shichuang”) passed review on a high and new tech enterprise in 2022 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2022.

Wujiang CSG Glass Co., Ltd. (“Wujiang CSG”) passed review on a high and new tech enterprise in 2023, 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 2023.

Xianning CSG Glass Co Ltd. (“Xianning CSG”) passed review on a high and new tech enterprise in 2023, 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 2023.

Xianning CSG Energy-Saving Glass Co., Ltd. (“Xianning CSG Energy-Saving”) passed review on a high and new tech enterprise in 2021, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2021. As the company is currently going through the 2024 review of its high and new tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

Yichang CSG Photoelectric Glass Co., Ltd. (“Yichang CSG Photoelectric”) passed review on a high and new tech enterprise in 2021, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2021. As the company is currently going through the 2024 review of its high and new tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

Yichang CSG Display Co., Ltd (“Yichang CSG Display”) passed review on a high and new tech enterprise in 2021, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2021. As the company is currently going through the 2024 review of its high and new tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

Qingyuan CSG New Energy-Saving Materials Co., Ltd. (“Qingyuan CSG Energy-Saving”) passed review on a high and new tech enterprise in 2022, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2022.

Hebei CSG Glass Co Ltd. (“Hebei CSG”) passed review on a high and new tech enterprise in 2021, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2021. As the company is currently going through the 2024 review of its high and new tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

Shenzhen CSG Applied Technology Co Ltd. (“Shenzhen Technology”) passed review on a high and new tech enterprise in 2021, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2021. As the company is currently going through the 2024 review of its high and new tech enterprise certificate, the income tax rate of 15% was provisionally adopted for the report period.

Xianning CSG Photoelectric Glass Co., Ltd. (“Xianning Photoelectric”) passed review on a high and new tech enterprise in 2022 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2022.

Zhaoqing CSG Energy Saving Glass Co., Ltd. (hereinafter referred to as "Zhaoqing Energy Saving Company") passed review on a high and new tech enterprise in 2022 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2022.

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

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

Xi'an CSG Energy Saving Glass Technology Co., Ltd. (hereinafter referred to as "Xi'an Energy Saving Company") obtains enterprise income tax preferential treatment for Western Development, and temporarily calculates enterprise income tax at a tax rate of 15% for current year.

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

Qinghai CSG New Energy Technology Co., Ltd. (hereinafter referred to as "Qinghai New Energy Company") obtains enterprise income tax preferential treatment for Western Development, and temporarily calculates enterprise income tax at a tax rate of 15% for current year.

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

Anhui CSG Quartz Material Co., Ltd. (hereinafter referred to as "Anhui Quartz Company") was recognized as a high-tech enterprise in 2023 and has obtained the "High-tech Enterprise Certificate". The certificate is valid for three years and a 15% income tax rate is applicable for three years starting from 2023.

Anhui CSG New Energy Materials Technology Co., Ltd. (hereinafter referred to as "Anhui New Energy Company") was recognized as a high-tech enterprise in 2023 and has obtained the "High-tech Enterprise Certificate". The certificate is valid for three years and a 15% income tax rate is applicable for three years starting from 2023.

According to the "Announcement on the Additional Value-Added Tax Deduction Policy for Advanced Manufacturing Enterprises" (Announcement No. 43, 2023, of the Ministry of Finance and the State Administration of Taxation), regarding the Company's high-tech enterprises, from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to deduct an additional 5% of the deductible input tax for the current period to deduct the value-added tax payable.

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at bank and on hand

Unit: RMB

Item	30 June 2024	1 January 2024
Cash at bank	3,477,639,345	3,051,261,655
Other currency funds	141,639,610	25,512,563
Total	3,619,278,955	3,076,774,218
Including: Total overseas deposits	43,301,497	31,005,196
The total amount of cash and cash equivalents that are restricted to use due to mortgage, pledge or freezing etc.	141,639,610	25,512,563

2. Notes receivable

（1）Notes receivable listed by category

Unit: RMB

Item	30 June 2024	1 January 2024
Bank acceptance	1,474,867,926	1,510,946,903
Trade acceptance	94,257,560	82,573,591
Total	1,569,125,486	1,593,520,494

（2）Classification by bad debt accrual method

Unit: RMB

Category	30 June 2024				
	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion	
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	1,571,049,110	100%	1,923,624	0.12%	1,569,125,486
Including:					
Bank acceptance	1,474,867,926	94%			1,474,867,926
Trade acceptance	96,181,184	6%	1,923,624	2%	94,257,560
Total	1,571,049,110	100%	1,923,624	0.12%	1,569,125,486

(Continued)

Category	1 January 2024				
	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion	
Provision for bad debts on an					

individual basis					
Provision for bad debts on a portfolio basis	1,595,205,669	100%	1,685,175	0.11%	1,593,520,494
Including:					
Bank acceptance	1,510,946,903	95%			1,510,946,903
Trade acceptance	84,258,766	5%	1,685,175	2%	82,573,591
Total	1,595,205,669	100%	1,685,175	0.11%	1,593,520,494

Provision for bad debts on a basis of trade acceptance portfolio:

Unit: RMB

Item	30 June 2024		
	Carrying amount	Provision for bad debts	Provision proportion
Trade acceptance	96,181,184	1,923,624	2%
Total	96,181,184	1,923,624	

（3）Bad debt provisions accrued, recovered or reversed in the current period

Bad debt provisions in the current period:

Unit: RMB

Category	1 January 2024	Change in the current period				30 June 2024
		Accrued	Recovered or reversed	Written off	Others	
Trade acceptance	1,685,175	658,694	420,245			1,923,624
Total	1,685,175	658,694	420,245			1,923,624

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

Unit: RMB

Item	Pledged amount
Bank acceptance	1,092,137,999
Total	1,092,137,999

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

Unit: RMB

Item	Derecognized amount at the end of the period	Un-derecognized amount at the end of the period
Bank acceptance		253,785,857
Trade acceptance		3,905,265
Total		257,691,122

3. Accounts receivable

（1）Disclosure by age

Unit: RMB

Aging	30 June 2024	1 January 2024
Within 1 year (including 1 year)	1,748,714,872	1,799,401,050
1 to 2 years	34,569,102	42,338,430
2 to 3 years	63,255,818	156,855,077
Over 3 years	192,219,106	81,310,642
Total	2,038,758,898	2,079,905,199

（2）Classification by bad debt accrual method

Unit: RMB

Category	30 June 2024				
	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion	
Provision for bad debts on an individual basis	171,165,314	8%	155,522,612	91%	15,642,702
Provision for bad debts on a portfolio basis	1,867,593,584	92%	37,354,650	2%	1,830,238,934
Including:					
Receivables from unrelated parties	1,867,593,584	92%	37,354,650	2%	1,830,238,934
Total	2,038,758,898	100%	192,877,262	9%	1,845,881,636

(Continued)

Category	1 January 2024				
	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion	
Provision for bad debts on an individual basis	176,357,014	8%	160,074,840	91%	16,282,174
Provision for bad debts on a portfolio basis	1,903,548,185	92%	38,033,951	2%	1,865,514,234
Including:					
Receivables from unrelated parties	1,903,548,185	92%	38,033,951	2%	1,865,514,234
Total	2,079,905,199	100%	198,108,791	10%	1,881,796,408

Provision for bad debts on an individual basis:

Unit: RMB

Item	1 January 2024		30 June 2024			
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Provision proportion	Reason for provision
Total of	176,357,014	160,074,840	171,165,314	155,522,612	91%	Mainly due to the inability to

Item	1 January 2024		30 June 2024			
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Provision proportion	Reason for provision
single-item accrual customers						honor commercial acceptance bills issued by Evergrande and its subsidiaries that have been endorsed by customers, and the transfer of accounts receivable from bills receivable, as well as partial or full provision for bad debt reserves due to business disputes or deterioration of customer operations.
Total	176,357,014	160,074,840	171,165,314	155,522,612	91%	

Provision for bad debts on a portfolio basis:

Unit: RMB

Item	30 June 2024		
	Carrying amount	Provision for bad debts	Provision proportion
Combined customers	1,867,593,584	37,354,650	2%
Total	1,867,593,584	37,354,650	

（3）Bad debt provisions accrued, recovered or reversed in the current period

Bad debt provisions in the current period:

Unit: RMB

Category	1 January 2024	Change in the current period			30 June 2024
		Accrued	Recovered or reversed	Written off	
Bad debt provisions for accounts receivable	198,108,791	9,227,299	14,387,203	71,625	192,877,262
Total	198,108,791	9,227,299	14,387,203	71,625	192,877,262

（4）Actual write-off of accounts receivable in the current period

Unit: RMB

Item	Write-off amount
Accounts receivable	71,625

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

Unit: RMB

Name	Accounts receivable closing balance	Percentage in total accounts receivable balance	Provision for bad debts closing balance
Total balances for the five largest accounts receivable	611,275,089	30%	12,225,502

Total	611,275,089	30%	12,225,502

4. Receivables financing

Unit: RMB

Item	30 June 2024	1 January 2024
Notes receivable	622,130,245	529,945,623
Total	622,130,245	529,945,623

5. Other receivables

Unit: RMB

Item	30 June 2024	1 January 2024
Other receivables	173,913,608	177,957,033
Total	173,913,608	177,957,033

（1）Other receivables

1）Other receivables categorized by nature

Unit: RMB

Nature	30 June 2024	1 January 2024
Receivables from special fund for talent (note)	171,000,000	171,000,000
Payments made on behalf of other parties	31,769,484	40,125,087
Advances to suppliers	10,366,164	10,366,164
Refundable deposits	9,862,520	9,033,990
Petty cash	1,354,833	594,514
Others	13,614,899	13,797,012
Total	237,967,900	244,916,767

Note: This fund is a subsidy fund given to the Group by the government. The Company entrusted its wholly-owned subsidiary Yichang CSG Silicon Materials Co., Ltd. to collect the fund. The Yichang High-tech Zone Management Committee also paid the full amount to Yichang CSG Silicon in 2014. After receiving the funds, Yichang CSG Silicon Materials Co., Ltd. transferred the full amount to Yichang Hongtai Real Estate Co., Ltd. without appropriate approval by the then Company's board of directors and other competent authorities. Yichang CSG Silicon Materials Co., Ltd. received the above funds from 21 February 2014 to 28 April 2014 and then transferred the entire amount to Yichang Hongtai Real Estate Co., Ltd.

The Company filed an infringement compensation lawsuit against Zeng Nan and others and Yichang Hongtai Real Estate Co., Ltd. on 15 December 2021, and Shenzhen Intermediate People's Court officially accepted the lawsuit on 28 January 2022. The first instance of the case was completed in Shenzhen Intermediate People's Court on 21 June 2022. On 4 June 2024, the Company received the first instance Civil Judgment issued by Shenzhen Intermediate People's Court, which rejected all of the Company's litigation requests. In June 2024, the Company filed an appeal to Guangdong Higher People's Court, and the case is currently in the process of the second instance.

2） Disclosure by age

Unit: RMB

Aging	30 June 2024	1 January 2024
Within 1 year (including 1 year)	22,878,544	22,612,560
1 to 2 years	2,168,217	1,819,789
2 to 3 years	15,777,311	20,535,190
Over 3 years	197,143,828	199,949,228
3 to 4 years	836,485	1,058,546
4 to 5 years	676,868	450,650
Over 5 years	195,630,475	198,440,032
Total	237,967,900	244,916,767

3） Classification by bad debt accrual method

Unit: RMB

Category	30 June 2024				
	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion	
Provision for bad debts on an individual basis	182,823,641	77%	63,123,642	35%	119,699,999
Provision for bad debts on a portfolio basis	55,144,259	23%	930,650	2%	54,213,609
Including:					
Unrelated party combination	55,144,259	23%	930,650	2%	54,213,609
Total	237,967,900	100%	64,054,292	27%	173,913,608

(Continued)

Category	1 January 2024				
	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion	
Provision for bad debts on an individual basis	188,393,981	77%	65,908,811	35%	122,485,170
Provision for bad debts on a portfolio basis	56,522,786	23%	1,050,923	2%	55,471,863
Including:					
Unrelated party combination	56,522,786	23%	1,050,923	2%	55,471,863
Total	244,916,767	100%	66,959,734	27%	177,957,033

Provision for bad debts accrued on the basis of a general model of expected credit losses:

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total

	Expected credit loss in the next 12 months	Expected credit loss for the whole period (no credit impairment)	Expected credit loss for the whole period (with credit impairment)	
Amount on 1 January 2024	1,050,923		65,908,811	66,959,734
Carrying amount on 1 January 2024 that in this period:				
Provision for the period	84,702			84,702
Reverse for the period	204,975		2,339,177	2,544,152
Write-off for the period			445,992	445,992
Amount on 30 June 2024	930,650		63,123,642	64,054,292

4） Bad debt provisions accrued, recovered or reversed in the current period

Bad debt provisions in the current period:

Unit: RMB

Category	1 January 2024	Change in the current period				30 June 2024
		Accrued	Recovered or reversed	Written off	Others	
Bad debt provisions for other receivables	66,959,734	84,702	2,544,152	445,992		64,054,292
Total	66,959,734	84,702	2,544,152	445,992		64,054,292

5） Actual write-off of other receivables in the current period

Unit: RMB

Item	Write-off amount
Other receivables	445,992

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

Unit: RMB

Name	Nature of business	30 June 2024	Ageing	Percentage in total other receivables balance	Provision for bad debts
Company 1	Independent third party	171,000,000	Over 5 years	72%	51,300,000
Company 2	Independent third party	14,000,000	2-3 years	6%	280,000
Company 3	Independent third party	11,556,004	Over 5 years	5%	231,120
Company 4	Independent third party	10,366,164	Over 5 years	4%	10,366,164
Company 5	Independent third party	1,800,000	Over 5 years	1%	36,000

Name	Nature of business	30 June 2024	Ageing	Percentage in total other receivables balance	Provision for bad debts
Total		208,722,168		88%	62,213,284

6. Advances to suppliers

（1）Listing by ages

Unit: RMB

Aging	30 June 2024		1 January 2024	
	Amount	Proportion	Amount	Proportion
Within 1 year (including 1 year)	116,975,400	97%	155,075,823	100%
1 to 2 years	3,122,473	3%	395,256	
2 to 3 years	64,013		1,766	
Over 3 years	1,766		3,800	
Total	120,163,652		155,476,645	

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

Item	Advance payment closing balance	Percentage in total advances to suppliers balance
Total balances for the five largest advances to suppliers	56,805,492	47%

7. Inventories

（1）Inventory classification

Unit: RMB

Item	30 June 2024			1 January 2024		
	Carrying amount	Provision for decline in the value of inventories	Book value	Carrying amount	Provision for decline in the value of inventories	Book value
Raw materials	648,135,092	19,537,174	628,597,918	568,803,335	1,935,371	566,867,964
Work in progress	34,111,901		34,111,901	29,941,046		29,941,046
Finished goods	1,236,911,623	32,317,391	1,204,594,232	928,685,781	28,179,241	900,506,540
Turnover materials	111,621,873	183,668	111,438,205	93,093,127	183,882	92,909,245
Total	2,030,780,489	52,038,233	1,978,742,256	1,620,523,289	30,298,494	1,590,224,795

（2） Provision for decline in the value of inventories

Unit: RMB

Item	1 January 2024	Increase in current period		Decrease in current period		30 June 2024
		Provision	Others	Reversal or write-off	Others	
Raw materials	1,935,371	18,073,648		471,845		19,537,174
Finished goods	28,179,241	23,242,267		19,104,117		32,317,391
Turnover materials	183,882			214		183,668
Total	30,298,494	41,315,915		19,576,176		52,038,233

8. Non-current assets due within one year

Unit: RMB

Item	30 June 2024	1 January 2024
Fixed-term deposit in bank due within one year		84,191,224
Total		84,191,224

9. Other current assets

Unit: RMB

Item	30 June 2024	1 January 2024
VAT to be offset	353,275,416	260,361,670
Enterprise income tax prepaid	2,601,848	18,127,608
VAT input to be recognised	15,127,715	33,577,420
Term deposits	42,800,000	40,000,000
Total	413,804,979	352,066,698

10. Investment properties

（1）Investment properties measured using the fair value model

√ Applicable □ Not applicable

Unit: RMB

Item	House, building and related land use rights
I. 1 January 2024	290,368,105
II. Movement in the current period	2,343,753
III. 30 June 2024	292,711,858

11. Fixed assets

Unit: RMB

Item	30 June 2024	1 January 2024

Item	30 June 2024	1 January 2024
Fixed assets	12,785,878,380	13,145,568,631
Total	12,785,878,380	13,145,568,631

（1）List of fixed assets

Unit: RMB

Item	Buildings	Machinery and equipment	Motor vehicles and others	Total
I. Original book value：				
1. 1 January 2024	6,308,032,051	16,145,236,673	369,115,738	22,822,384,462
2. Increase in current period	114,474,348	242,020,867	13,208,585	369,703,800
（1）Acquisition	5,322,104	15,430,543	11,059,842	31,812,489
（2）Transfers from construction in progress	105,629,308	226,075,188		331,704,496
（3）Other increases	3,522,936	515,136	2,148,743	6,186,815
3. Decrease in current period	5,110,586	740,029,055	5,579,475	750,719,116
（1）Disposal or retirement	1,335,279	52,816,468	4,761,135	58,912,882
（2）Transfer to construction in progress	3,775,307	670,065,001		673,840,308
（3）Other decreases		17,147,586	818,340	17,965,926
4. 30 June 2024	6,417,395,813	15,647,228,485	376,744,848	22,441,369,146
II. Accumulative depreciation				
1. 1 January 2024	1,411,838,090	6,622,522,037	273,719,361	8,308,079,488
2. Increase in current period	106,825,930	452,458,689	20,853,213	580,137,832
（1）Accrual	106,814,755	452,448,127	20,631,114	579,893,996
（2）Other increases	11,175	10,562	222,099	243,836
3. Decrease in current period	1,913,617	573,342,258	4,852,372	580,108,247
（1）Disposal or retirement		25,409,256	4,427,593	29,836,849
（2）Transfer to construction in progress	1,913,617	547,495,429		549,409,046
（3）Other decreases		437,573	424,779	862,352
4. 30 June 2024	1,516,750,403	6,501,638,468	289,720,202	8,308,109,073
III. Impairment provision				
1. 1 January 2024	152,839,987	1,215,616,873	279,483	1,368,736,343
2. Increase in current period		2,247,363	416,190	2,663,553
（1）Transfers from construction in progress		2,247,363	416,190	2,663,553
3. Decrease in current period	1,335,279	22,682,924		24,018,203
（1）Disposal or retirement	1,335,279	22,682,924		24,018,203

Item	Buildings	Machinery and equipment	Motor vehicles and others	Total
4. 30 June 2024	151,504,708	1,195,181,312	695,673	1,347,381,693
IV. Book value				
1. 30 June 2024	4,749,140,702	7,950,408,705	86,328,973	12,785,878,380
2. 1 January 2024	4,743,353,974	8,307,097,763	95,116,894	13,145,568,631

（2）Fixed assets without ownership certificate

Unit: RMB

Item	Book value	Reasons for not yet obtaining certificates of title
Buildings	926,436,414	Have submitted the required documents and are in the process of application, or the related land use right certificate pending

12. Construction in progress

Unit: RMB

Item	30 June 2024	1 January 2024
Construction in progress	5,860,245,516	4,325,016,420
Total	5,860,245,516	4,325,016,420

（1）Details of construction in progress

Unit: RMB

Item	30 June 2024			1 January 2024		
	Carrying amount	Provision for impairment loss	Book value	Carrying amount	Provision for impairment loss	Book value
A new high-purity crystalline silicon project with an annual output of 50,000 tons in Haixi Prefecture, Qinghai Province	3,491,475,262		3,491,475,262	2,646,430,785		2,646,430,785
Guangxi Beihai Photovoltaic Green Energy Industry Park (Phase I) Project	1,254,365,091		1,254,365,091	728,103,811		728,103,811
Yichang CSG Polysilicon Technical Transformation Project	539,100,224	56,888,576	482,211,648	507,815,356	56,888,576	450,926,780
Wujiang Float (650TD) Photovoltaic Calendering Line Technical Transformation Project	117,914,338		117,914,338	154,717		154,717
Qingyuan CSG Phase I Upgrading Technical Transformation Project	230,292,811	116,909,920	113,382,891	228,055,647	116,909,920	111,145,727
Xi'an CSG energy-saving glass production line project	50,156,346		50,156,346	222,583,993		222,583,993
Xianning energy-saving production line reconstruction and expansion construction project	30,589,560		30,589,560	25,585,501		25,585,501
Wujiang Float Processing Department Production Line Technical Upgrading and Transformation	16,585,825		16,585,825			
Dongguan Photovoltaic Building B 450MWPERC battery technology upgrade project	186,866,743	184,998,076	1,868,667	186,866,743	184,998,076	1,868,667
Anhui Fengyang newly built 37.6 MW distributed photovoltaic power generation project				83,354,432		83,354,432
Other projects	303,227,704	1,531,816	301,695,888	59,057,376	4,195,369	54,862,007
Total	6,220,573,904	360,328,388	5,860,245,516	4,688,008,361	362,991,941	4,325,016,420

（2）Movement of significant projects of construction in progress

Unit: RMB

Project name	Budget	1 January 2024	Increase in current period	Transfer to fixed assets in current period	Other decreases in current period	30 June 2024	Proportion between engineering input and budget	Engineering progress	Amount of borrowing costs capitalized	Including: Amount of borrowing costs capitalized in current period	Capitalization rate for current period	Source of fund
A new high-purity crystalline silicon project with an annual output of 50,000 tons in Haixi Prefecture, Qinghai Province	4,498,192,210	2,646,430,785	857,680,692	12,636,215		3,491,475,262	78%	78%	24,314,504	20,062,535	4.13%	Internal fund and bank loan
Guangxi Beihai Photovoltaic Green Energy Industry Park (Phase I) Project	4,942,051,800	728,103,811	541,274,995	15,013,715		1,254,365,091	33%	33%	9,743,845	5,121,348	2.44%	Internal fund and bank loan
Qingyuan CSG Phase I Upgrading Technical Transformation Project	534,870,000	228,055,647	2,247,649	10,485		230,292,811	5%	5%				Internal fund and bank loan
Xi'an CSG energy-saving glass production line project	494,000,000	222,583,993	17,899,051	186,903,430	3,423,268	50,156,346	60%	60%	3,688,930	1,749,339	3.54%	Internal fund and bank loan
Anhui Fengyang newly built 37.6 MW distributed photovoltaic power generation project	146,640,000	83,354,432	6,150,317	89,504,749			61%	100%	543,559	140,754	4.07%	Internal fund and bank loan
Total	10,615,754,010	3,908,528,668	1,425,252,704	304,068,594	3,423,268	5,026,289,510			38,290,838	27,073,976		

（3） Provision for impairment of construction in progress in the current period

Unit: RMB

Project	1 January 2024	Increase in the current period		Decrease in the current period	30 June 2024	Reason for provision
		Provision for the current period	Other increases			
Qingyuan CSG Phase I Upgrading Technical Transformation Project	116,909,920				116,909,920	
Dongguan Photovoltaic Building B 450MWPERC battery technology upgrade project	184,998,076				184,998,076	
Yichang CSG Polysilicon Technical Transformation Project	56,888,576				56,888,576	
Other projects	4,195,369			2,663,553	1,531,816	
Total	362,991,941			2,663,553	360,328,388	--

13. Right-of-use assets

Unit: RMB

Item	Land leases	Building leases	Total
I. Original book value:			
1. 1 January 2024	21,823,035	2,984,415	24,807,450
2. Increase in current period			
3. Decrease in current period			
4. 30 June 2024	21,823,035	2,984,415	24,807,450
II. Accumulative depreciation			
1. 1 January 2024	3,020,601	149,221	3,169,822
2. Increase in current period	819,440	149,221	968,661
(1) Provision	819,440	149,221	968,661
3. Decrease in current period			
4. 30 June 2024	3,840,041	298,442	4,138,483
III. Impairment provisions			
IV. Book value			
1. 30 June 2024	17,982,994	2,685,973	20,668,967
2. 1 January 2024	18,802,434	2,835,194	21,637,628

14. Intangible assets

（1）Details of intangible assets

Unit: RMB

Item	Land use rights	Patents and proprietary technologies	Exploitation rights	Others	Total
I. Original book value：					
1. 1 January 2024	1,469,814,142	563,753,185	1,091,671,546	72,584,426	3,197,823,299
2. Increase in current period				3,754,433	3,754,433
（1）Acquisition				331,165	331,165
（2）Others				3,423,268	3,423,268
3. Decrease in current period					
4. 30 June 2024	1,469,814,142	563,753,185	1,091,671,546	76,338,859	3,201,577,732
II. Accumulative amortization					
1. 1 January 2024	293,150,658	262,978,745	40,776,980	56,056,887	652,963,270
2. Increase in current period	15,040,247	17,526,919	38,510,655	2,345,599	73,423,420
（1）Accrual	15,040,247	17,526,919	38,510,655	2,345,599	73,423,420
3. Decrease in current period					
4. 30 June 2024	308,190,905	280,505,664	79,287,635	58,402,486	726,386,690
III. Provision for impairment					
1. 1 January 2024		54,316,431		13,374	54,329,805
2. Increase in current period					
3. Decrease in current period					
4. 30 June 2024		54,316,431		13,374	54,329,805
IV. Book value					
1. 30 June 2024	1,161,623,237	228,931,090	1,012,383,911	17,922,999	2,420,861,237
2. 1 January 2024	1,176,663,484	246,458,009	1,050,894,566	16,514,165	2,490,530,224

（2）Land use rights without ownership certificate

Unit: RMB

Item	Book value	Reasons for not yet obtaining certificates of title
Land use rights	4,037,062	The management of the Company believes that there is no substantive legal obstacle to obtaining the relevant land use certificate, and it will not have a significant adverse impact on the operation of the Group.

15. Goodwill

（1）Original book value of goodwill

Unit: RMB

Name of invested unit or items forming goodwill	1 January 2024	Increase in current period	Decrease in current period	30 June 2024
Tianjin CSG Architectural Glass Co., Ltd	3,039,946			3,039,946
Xianning CSG Photoelectric	4,857,406			4,857,406
Shenzhen CSG Display	389,494,804			389,494,804
Guangdong Licheng Construction Engineering Co., Ltd.	696,000			696,000
Total	398,088,156			398,088,156

（2）Provision for impairment of goodwill

Unit: RMB

Name of invested unit or matters forming goodwill	1 January 2024	Increase in current period	Decrease in current period	30 June 2024
Shenzhen CSG Display	389,494,804			389,494,804
Total	389,494,804			389,494,804

16. Long-term prepaid expenses

Unit: RMB

Item	1 January 2024	Increase in current period	Amortized amounts in current period	Other decreases	30 June 2024
Various prepaid expenses	18,764,429	5,315,249	4,176,445		19,903,233
Total	18,764,429	5,315,249	4,176,445		19,903,233

17. Deferred tax assets and liabilities

（1）Deferred income tax assets before offsetting

Unit: RMB

Item	30 June 2024		1 January 2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairments	965,206,298	146,093,254	988,603,433	149,485,849
Deductible losses	845,370,792	145,081,978	500,056,218	88,815,735

Item	30 June 2024		1 January 2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Government grants	183,168,218	27,987,160	171,767,926	26,346,666
Accrued expenses	5,378,170	806,725	6,854,739	1,028,211
Depreciation of fixed assets, etc.	167,391,235	25,857,310	124,810,353	19,386,825
Total	2,166,514,713	345,826,427	1,792,092,669	285,063,286

（2）Deferred income tax liabilities before offsetting

Unit: RMB

Item	30 June 2024		1 January 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Depreciation of fixed assets	535,139,952	81,313,308	571,131,285	86,841,423
Investment properties	368,564,944	55,284,742	368,564,944	55,284,742
Total	903,704,896	136,598,050	939,696,229	142,126,165

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

Unit: RMB

Item	Offset amount of closing deferred tax assets and liabilities	Closing deferred tax assets or liabilities after offsetting	Offset amount of opening deferred tax assets and liabilities	Opening deferred tax assets or liabilities after offsetting
Deferred tax assets	61,567,137	284,259,290	62,038,255	223,025,031
Deferred tax liabilities	61,567,137	75,030,913	62,038,255	80,087,910

（4）Detail about unrecognized deferred income tax assets

Unit: RMB

Item	30 June 2024	1 January 2024
Deductible temporary differences and losses	1,069,961,338	1,168,354,313
Total	1,069,961,338	1,168,354,313

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

Unit: RMB

Year	30 June 2024	1 January 2024	Notes
2024		103,008,917	
2025	502,484,452	502,484,452	
2026	557,374,493	557,374,493	
2027	524,904	524,904	

Year	30 June 2024	1 January 2024	Notes
2028	4,961,547	4,961,547	
2029	4,615,942		
Total	1,069,961,338	1,168,354,313	

18. Other non-current assets

Unit: RMB

Item	30 June 2024			1 January 2024		
	Carrying amount	Impairment provision	Book value	Carrying amount	Impairment provision	Book value
Prepayment for equipment and project	219,021,356		219,021,356	390,090,354		390,090,354
Prepayment for lease of land use rights	13,771,500		13,771,500	6,510,000		6,510,000
Total	232,792,856		232,792,856	396,600,354		396,600,354

19. The assets with the ownership or use right restricted

Unit: RMB

Item	30 June 2024			
	Carrying amount	Book value	Restricted type	Restricted situation
Cash at bank and on hand	141,639,610	141,639,610	Restricted circulation of deposits, freezes, etc	Cash at bank and on hand
Note receivable	1,092,137,999	1,092,137,999	Restricted pledge	Note receivable
Fixed assets/ Construction in progress	927,490,640	627,742,974	Restricted financing lease	Fixed assets/ Construction in progress
Total	2,161,268,249	1,861,520,583		

(Continued)

Item	1 January 2024			
	Carrying amount	Book value	Restricted type	Restricted situation
Cash at bank and on hand	25,512,563	25,512,563	Restricted circulation of deposits, freezes, etc	Cash at bank and on hand
Note receivable	1,157,485,085	1,157,485,085	Restricted pledge	Note receivable
Fixed assets	416,947,659	106,982,081	Restricted financing lease	Fixed assets
Total	1,599,945,307	1,289,979,729		

20. Short-term borrowings

（1）Classification of short-term borrowings

Unit: RMB

Item	30 June 2024	1 January 2024
Guaranteed loan	264,263,560	320,893,730
Credit loan	23,426,590	108,426,590
Discounted bills	660,732	7,533,263
Total	288,350,882	436,853,583

21. Notes payable

Unit: RMB

Type	30 June 2024	1 January 2024
Trade acceptance	140,454,268	90,836,911
Bank acceptance	2,157,963,721	1,950,516,278
Supply chain financial notes	211,208,967	
Total	2,509,626,956	2,041,353,189

22. Accounts payable

（1）Accounts payable listed

Unit: RMB

Item	30 June 2024	1 January 2024
Materials payable	1,111,343,655	938,666,542
Equipment payable	964,492,585	994,552,522
Construction expenses payable	1,062,144,697	1,206,275,761
Freight payable	140,025,365	143,114,233
Utilities payable	52,138,174	50,982,984
Others	8,769,760	8,032,560
Total	3,338,914,236	3,341,624,602

（2）Significant accounts payable aged more than one year

Unit: RMB

Item	30 June 2024	Reasons
Engineering and equipment payments, etc	237,901,234	Due to the unfinished final accounts of related projects, they have not been settled yet
Total	237,901,234	

23. Other payables

Unit: RMB

Item	30 June 2024	1 January 2024
Interest payable	8,863,897	8,751,408
Dividends payable	767,673,027	

Item	30 June 2024	1 January 2024
Other payables	384,072,373	475,990,469
Total	1,160,609,297	484,741,877

（1）Interest payable

Unit: RMB

Item	30 June 2024	1 January 2024
Interest of long-term borrowings with periodic payments of interest and return of principal at maturity	8,366,465	8,082,760
Interest of short-term borrowings	497,432	668,648
Total	8,863,897	8,751,408

（2）Dividends payable

Unit: RMB

Item	30 June 2024	1 January 2024
Dividends payable to ordinary shareholders	767,673,027	
Total	767,673,027	

（3）Other payables

1）Disclosure of other payables by nature

Unit: RMB

Item	30 June 2024	1 January 2024
Guarantee deposits received from construction contractors	302,056,930	351,439,479
Accrued cost of sales (i)	45,393,923	67,861,475
Payable for contracted labour costs	6,776,382	27,689,963
Temporary receipts for third parties	3,310,676	7,277,368
Others	26,534,462	21,722,184
Total	384,072,373	475,990,469

（i）This item mainly includes expenses that have been incurred but for which invoices have not been obtained at the end of the period, comprising maintenance charges, professional service fee and travelling expenses etc.

24. Contract liabilities

Unit: RMB

Item	30 June 2024	1 January 2024
Contract liabilities	343,813,781	362,538,795
Total	343,813,781	362,538,795

25. Employee benefits payable

（1）Presentation of employee benefits payable

Unit: RMB

Item	1 January 2024	Increase in current period	Decrease in current period	30 June 2024
I. Short-term employee benefits payable	480,172,235	1,054,918,344	1,209,826,545	325,264,034
II. Defined contribution plans payable		96,586,266	96,586,266	
III. Termination benefits	3,165,561	3,530,676	6,696,237	
Total	483,337,796	1,155,035,286	1,313,109,048	325,264,034

（2）Presentation of short-term benefits

Unit: RMB

Item	1 January 2024	Increase in current period	Decrease in current period	30 June 2024
1. Wages and salaries, bonus, allowances and subsidies	455,508,551	972,169,126	1,128,756,917	298,920,760
2. Social security contributions		41,777,652	41,679,372	98,280
Including: Medical insurance		36,531,600	36,433,320	98,280
Work injury insurance		4,418,288	4,418,288	
Maternity insurance		827,764	827,764	
3. Housing funds	880,089	28,356,932	28,383,625	853,396
4. Labour union funds and employee education funds	23,783,595	12,614,634	11,006,631	25,391,598
Total	480,172,235	1,054,918,344	1,209,826,545	325,264,034

（3）Defined benefit plans

Unit: RMB

Item	1 January 2024	Increase in current period	Decrease in current period	30 June 2024
1. Basic pensions		92,585,461	92,585,461	
2. Unemployment insurance		4,000,805	4,000,805	
Total		96,586,266	96,586,266	

26. Taxes payable

Unit: RMB

Item	30 June 2024	1 January 2024
Enterprise income tax payable	88,847,010	50,021,929

Item	30 June 2024	1 January 2024
VAT payable	46,214,028	44,410,002
Housing property tax payable	13,309,437	8,590,406
Individual income tax payable	4,930,376	6,633,485
Urban maintenance and construction tax payable	2,100,204	2,667,504
Educational surtax payable	1,736,347	2,209,407
Environmental tax payable	1,523,674	1,842,557
Others	8,116,521	7,032,123
Total	166,777,597	123,407,413

27. Non-current liabilities due within one year

Unit: RMB

Item	30 June 2024	1 January 2024
Long-term borrowings due within one year	1,523,840,827	1,206,872,898
Long-term account payable due within one year	15,541,083	40,939,718
Lease liabilities due within one year	1,103,785	1,079,363
Total	1,540,485,695	1,248,891,979

28. Other current liabilities

Unit: RMB

Item	30 June 2024	1 January 2024
Output VAT to be transferred	39,834,736	44,121,680
Supply chain financial notes, etc.		121,676,275
Notes that did not meet the conditions for derecognition	257,030,390	288,534,731
Total	296,865,126	454,332,686

29. Long-term borrowings

（1）Types of long-term borrowings

Unit: RMB

Item	30 June 2024	1 January 2024
Guaranteed loan	6,019,971,035	5,478,771,574
Credit loan	2,254,490,000	1,949,750,000
Subtotal	8,274,461,035	7,428,521,574
Less: Long-term borrowings due within one year	1,523,840,827	1,206,872,898
Total	6,750,620,208	6,221,648,676

30. Lease liabilities

Unit: RMB

Item	30 June 2024	1 January 2024
Lease liabilities	15,783,063	16,213,925
Less: Lease liabilities due within one year	1,103,785	1,079,363
Total	14,679,278	15,134,562

31. Long-term account payable

Unit: RMB

Item	30 June 2024	1 January 2024
Long-term account payable	510,957,893	88,204,163

（1）Long-term payable listed by nature

Unit: RMB

Item	30 June 2024	1 January 2024
Finance lease payable	526,498,976	129,143,881
Less: Long-term payables due within one year	15,541,083	40,939,718
Total	510,957,893	88,204,163

32. Estimated liabilities

Unit: RMB

Item	30 June 2024	1 January 2024	Causes
Retirement obligation	12,031,343	11,798,141	Estimated mine rehabilitation costs
Pending litigation		1,251,941	
Total	12,031,343	13,050,082	

33. Deferred income

Unit: RMB

Item	1 January 2024	Increase in current period	Decrease in current period	30 June 2024
Government grants	430,143,830	38,341,600	27,058,673	441,426,757
Total	430,143,830	38,341,600	27,058,673	441,426,757

34. Share capital

Unit: RMB

	1 January 2024	Movement for current period	30 June 2024

		New issues	Bonus issue	Transfer from capital surplus	Others	Sub-total	
Total number of ordinary shares	3,070,692,107						3,070,692,107

35. Capital surplus

Unit: RMB

Item	1 January 2024	Increase in current period	Decrease in current period	30 June 2024
Share premium	649,166,589			649,166,589
Other capital surplus	-58,427,175			-58,427,175
Total	590,739,414			590,739,414

36. Other comprehensive income

Unit: RMB

Item	1 January 2024	Other comprehensive income for current period				30 June 2024
		Actual amount before tax for current period	Less: Income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income items which will be reclassified subsequently to profit or loss	177,384,471			1,217,389		178,601,860
Difference on translation of foreign currency financial statements	13,682,674			1,217,389		14,900,063
Financial rewards for energy-saving technical retrofits	2,550,000					2,550,000
Income generated when self-property and land use rights are converted into investment property	161,151,797					161,151,797
Total	177,384,471			1,217,389		178,601,860

37. Special reserve

Unit: RMB

Item	1 January 2024	Increase in current period	Decrease in current period	30 June 2024

Safety production costs	1,411,139	3,139,075	1,186,314	3,363,900
Total	1,411,139	3,139,075	1,186,314	3,363,900

38. Surplus reserve

Unit: RMB

Item	1 January 2024	Increase in current period	Decrease in current period	30 June 2024
Statutory surplus reserve	1,276,210,730			1,276,210,730
Discretionary surplus reserve	127,852,568			127,852,568
Total	1,404,063,298			1,404,063,298

39. Undistributed profits

Unit: RMB

Item	H1 2024	H1 2023
Undistributed profits at the end of the previous period before adjustments	8,806,549,788	7,786,968,455
Undistributed profits at the beginning of the period after adjustments	8,806,549,788	7,786,968,455
Add: Net profits attributable to shareholders of parent company in current period	733,111,562	889,478,780
Less: Appropriation for statutory surplus reserve		
Ordinary share dividends payable	767,673,027	
Undistributed profits at the end of the period	8,771,988,323	8,676,447,235

40. Operating income and operating costs

Unit: RMB

Item	H1 2024		H1 2023	
	Revenue	Cost	Revenue	Cost
Principal operation	8,026,214,086	6,330,753,454	8,269,985,146	6,451,841,635
Other operations	52,756,565	2,585,051	119,355,099	43,554,296
Total	8,078,970,651	6,333,338,505	8,389,340,245	6,495,395,931

41. Taxes and surcharges

Unit: RMB

Item	H1 2024	H1 2023
Housing property tax	24,262,618	20,987,873
Land use rights	13,293,655	10,894,279
Urban maintenance and construction tax	10,630,321	18,676,773
Educational surtax	9,140,452	14,886,892

Item	H1 2024	H1 2023
Stamp tax	4,953,753	6,454,506
Environmental tax	2,960,497	2,815,691
Others	2,664,381	1,662,990
Total	67,905,677	76,379,004

42. General and administrative expenses

Unit: RMB

Item	H1 2024	H1 2023
Employee benefits	213,862,214	198,481,504
Depreciation and amortization	106,703,302	70,577,321
General office expenses	14,096,760	14,943,321
Labour union funds	12,098,064	10,994,483
Entertainment fees	10,454,102	8,997,162
Consulting advisers	5,655,089	3,919,242
Canteen costs	4,955,469	5,641,281
Business travel expenses	4,479,971	4,438,258
Water and electricity fees	3,475,192	3,542,076
Vehicle use fees	2,277,382	3,500,710
Rental fees	659,536	1,025,672
Others	15,803,933	14,191,742
Total	394,521,014	340,252,772

43. Selling and distribution expenses

Unit: RMB

Item	H1 2024	H1 2023
Employee benefits	110,767,294	99,419,222
Entertainment fees	9,996,939	8,645,368
Business travel expenses	6,358,650	6,194,559
Rental fees	5,445,122	5,713,495
Office expenses	1,543,766	1,768,037
Freight expenses	1,199,242	3,390,552
Insurance fees	766,925	2,528,186
Vehicle use fees	664,626	4,656,501
Others	18,261,137	14,540,221
Total	155,003,701	146,856,141

44. Research and development expenses

Unit: RMB

Item	H1 2024	H1 2023
Research and development expenses	336,673,375	346,264,501
Total	336,673,375	346,264,501

45. Financial expenses

Unit: RMB

Item	H1 2024	H1 2023
Interest expenses	115,225,970	113,306,203
Interest income	-31,170,207	-45,500,449
Exchange gains and losses	-10,609,069	3,203,357
Others	2,402,731	1,755,534
Total	75,849,425	72,764,645

46. Other Income

Unit: RMB

Sources of other income	H1 2024	H1 2023
Government subsidy amortization	27,058,673	21,916,903
Tax benefits and rebates	61,735,134	2,374,350
Industry support funds	11,125,627	800,000
Government incentive funds	11,286,068	18,216,697
Research grants	2,882,320	1,528,784
Others	2,606,814	2,367,105
Total	116,694,636	47,203,839

47. Investment income

Unit: RMB

Item	H1 2024	H1 2023
Debt restructuring income	569,142	
Interest on note discounting	-6,356,329	-5,617,361
Income from term deposits, etc.	924,109	1,534,181
Total	-4,863,078	-4,083,180

48. Credit impairment loss

Unit: RMB

Item	H1 2024	H1 2023
Losses on bad debts of accounts receivable	5,159,904	-7,621,521
Losses on bad debts of notes receivable	-238,449	
Losses on bad debts of other receivables	2,459,450	20,297

Total	7,380,905	-7,601,224

49. Asset impairment loss

Unit: RMB

Item	H1 2024	H1 2023
Decline in the value of inventories	-41,315,915	24,908
Total	-41,315,915	24,908

50. Income on disposal of assets

Unit: RMB

Source of income on disposal of assets	H1 2024	H1 2023
Gain/loss on disposal of non-current assets	4,202,074	53,451
Total	4,202,074	53,451

51. Non-operating revenue

Unit: RMB

Item	H1 2024	H1 2023	Amount booked into current non-recurring profits and losses
Amounts unable to pay	1,587,975	4,901,175	1,587,975
Compensation income	958,059	165,653	958,059
Insurance claims		3,212,700	
Others	2,382,760	1,173,805	2,382,760
Total	4,928,794	9,453,333	4,928,794

52. Non-operating expenses

Unit: RMB

Item	H1 2024	H1 2023	Amount booked into current non-recurring profits and losses
Donation	171,400	300,614	171,400
Losses due to damage or scrapping of non-current assets	2,446,816	133,677	2,446,816
Compensation		30,225	
Others	562,279	22,284	562,279
Total	3,180,495	486,800	3,180,495

53. Income tax expenses

（1）Income tax expense details

Unit: RMB

Item	H1 2024	H1 2023
Current income tax	144,518,913	84,300,053
Deferred income tax	-66,291,256	-10,205,883
Total	78,227,657	74,094,170

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

Unit: RMB

Item	H1 2024
Total profit	799,525,875
Income tax expenses calculated at applicable tax rates	122,777,660
Costs, expenses and losses not deductible for tax purposes	731,434
Effect of deductible loss on usage of unconfirmed deferred income tax assets in the prior period	-28,776,991
Effect of deductible temporary difference or deductible loss on unconfirmed deferred income tax in the current period	939,783
The impact of tax rate changes	
Adjustments to income taxes in prior periods	-8,301,789
Effect of obtaining tax incentives	-9,142,440
Income tax expenses	78,227,657

54. Other comprehensive income

See Note Other comprehensive income for details

55. Notes to the cash flow statement

（1）Cash received relating to other operating activities

Unit: RMB

Item	H1 2024	H1 2023
Security deposits received for operating purposes		140,939,522
Government grants	75,274,086	41,458,937
Interest income	31,108,379	45,474,892
Others	14,192,962	7,273,702
Total	120,575,427	235,147,053

（2）Cash paid relating to other operating activities

Unit: RMB

Item	H1 2024	H1 2023
Security deposits	73,884,621	
Entertainment fees	25,630,075	21,343,865
General office expenses	24,410,473	22,506,207
Canteen costs	20,422,983	20,838,907
Maintenance fee	19,543,932	17,742,387
Business travel expenses	16,895,349	14,512,458
Insurance fees	8,138,926	21,517,337
Consulting advisers	7,487,681	8,326,998
Rental expenses	7,218,739	9,824,468
Vehicle use fee	3,620,924	10,230,122
Bank handling charges	2,030,056	1,820,613
Others	62,170,291	57,501,774
Total	271,454,050	206,165,136

（3）Cash received relating to other investing activities

Unit: RMB

Item	H1 2024	H1 2023
Security deposits received		22,629,490
Amounts received that had been previously paid on behalf of others		10,000,000
Total		32,629,490

（4）Cash paid relating to other investing activities

Unit: RMB

Item	H1 2024	H1 2023
Security deposits	26,244,829	
Total	26,244,829	

（5）Cash paid related to significant investment activities

Unit: RMB

Item	H1 2024	H1 2023
Engineering project construction expenditure	1,492,512,738	1,714,949,765
Financial investment expenses	162,800,000	20,000,000
Total	1,655,312,738	1,734,949,765

（6）Cash received relating to other financing activities

Unit: RMB

Item	H1 2024	H1 2023
Cash received in finance leases	458,231,000	
Minority shareholder borrowings		12,000,000
Total	458,231,000	12,000,000

（7）Cash payments relating to other financing activities

Unit: RMB

Item	H1 2024	H1 2023
Lease repayments	84,615,538	22,948,274
Security deposits	600,000	
Repayments for minority shareholder borrowings	1,200,000	
Others		106,000
Total	86,415,538	23,054,274

（8）Changes in various liabilities arising from financing activities

Unit: RMB

Item	1 January 2024	Increase in current period		Decrease in current period		30 June 2024
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loan	436,853,583	189,010,732		329,980,170	7,533,263	288,350,882
Long-term borrowings (including long-term borrowings due within one year)	7,428,521,574	1,415,992,654		570,053,193		8,274,461,035
Bonds payable (including bonds payable due within one year)						
Total	7,865,375,157	1,605,003,386		900,033,363	7,533,263	8,562,811,917

56. Supplementary information to the cash flow statement

（1）Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	H1 2024	H1 2023
1．Reconciliation from net profit to cash flows from operating activities		
Net profit	721,298,218	881,897,408
Add: Provision for asset impairment	41,315,915	-24,908

Supplementary information	H1 2024	H1 2023
Provision for credit impairment	-7,380,905	7,601,224
Depreciation of fixed assets, oil and gas assets, and productive living assets	579,893,996	550,154,625
Depreciation of right-of-use assets	968,661	319,141
Amortization of intangible assets	73,423,420	43,479,477
Amortization of long-term prepaid expenses	4,176,445	1,878,327
Losses (gains) on disposal of fixed assets, intangible assets and other long-term asset ("-" for gains)	-4,202,074	-53,451
Financial expenses ("-" for gains)	104,616,901	113,306,203
Investment loss ("-" for gains)	-1,493,251	4,083,180
Decrease in deferred tax assets ("-" for increase)	-61,234,259	-4,999,507
Increase in deferred tax liabilities ("-" for decrease)	-5,056,997	-5,206,376
Decrease in inventories ("-" for increase)	-429,833,376	-306,915,534
Decrease/(increase) in operating receivables ("-" for increase)	-42,729,653	-825,895,694
Increase in operating payables ("-" for decrease)	16,382,029	53,764,086
Others	3,139,075	5,038,984
Net cash flows from operating activities	993,284,145	518,427,185
2． Net changes in cash and cash equivalents:		
Cash and cash equivalents at end of period	3,477,639,345	2,639,260,140
Less: Cash and cash equivalents at beginning of period	3,051,261,655	4,594,018,251
Net increase in cash and cash equivalents	426,377,690	-1,954,758,111

（2）Cash and cash equivalents composition

Unit: RMB

Item	30 June 2024	1 January 2024
I. Cash and cash equivalents	3,477,639,345	3,051,261,655
Bank deposits that can be readily drawn on demand	3,477,639,345	3,051,261,655
Other cash balances that can be readily drawn on demand		
II. Cash and cash equivalents at end of period	3,477,639,345	3,051,261,655

（3）Monetary funds other than cash and cash equivalents

Unit: RMB

Item	H1 2024	H1 2023	Reasons why it is not cash and cash equivalents
Other monetary fund	141,639,610	20,057,007	Security deposits, frozen amounts, etc. of which the use is restricted
Total	141,639,610	20,057,007	

57. Monetary items denominated in foreign currencies

（1）Monetary items denominated in foreign currencies

Unit: RMB

Item	Balances denominated in foreign currencies	Exchange rates	Balances denominated in RMB
Cash at bank and on hand			73,440,388
Including：USD	9,990,360	7.1268	71,199,296
EUR	6,618	7.6617	50,704
HKD	2,097,524	0.9127	1,914,410
JPY	6,005,101	0.0447	268,428
SGD	710	5.2790	3,750
AUD	797	4.7650	3,800
Accounts receivable			173,160,070
Including：USD	22,646,920	7.1268	161,400,066
EUR	834,785	7.6617	6,395,875
HKD	5,877,209	0.9127	5,364,129
Accounts payable			30,732,596
Including：USD	4,046,598	7.1268	28,839,292
EUR	206,887	7.6617	1,585,103
GBP	11,000	9.0430	99,473
JPY	4,669,530	0.0447	208,728

58. Leases

（1） The Company as the lessee

√ Applicable □ Not applicable

Variable lease payments not included in the measurement of lease liabilities

□ Applicable √ Not applicable

Lease costs for short-term leases or low-value assets that adopt a simplified accounting approach:

For January-June 2024, lease costs for the Group’s short-term leases or low-value assets that adopt a simplified accounting approach were RMB 6,083,242.

Sale-leasebacks:

For January-June 2024, the total cash outflow amount in relation to sale-leasebacks was RMB 69,192,468.

VIII. R&D SPENDING

Unit: RMB

Item	H1 2024	H1 2023
Material	158,306,519	177,053,665
Labor costs	137,105,995	137,509,742

Fees and others	41,260,861	42,678,805
Total	336,673,375	357,242,212
Among them: expense	336,673,375	346,264,501
Capitalization		10,977,711

IX. THE CHANGES OF CONSOLIDATION SCOPE

1. Changes in scope of consolidation due to other reasons

On 10 April 2024, the Group established Chengdu CSG New Energy Co., Ltd. As of 30 June 2024, the Group has not contributed any capital and the Group holds 100% of its equities.

X. EQUIRTY IN OTHER ENTITIES

1. Interest in subsidiaries

（1）Constitution of the Group

Unit: RMB

Name of subsidiary	Registered capital	Major business location	Place of registration	Scope of business	Shareholding		Method of acquisition
					Direct	Indirect	
Chengdu CSG	260,000,000	Chengdu, PRC	Chengdu, PRC	Development, production and sales of special glass	75%	25%	Establishment
Sichuan CSG Energy Conservation	180,000,000	Chengdu, PRC	Chengdu, PRC	Intensive processing of glass	75%	25%	Separation
Tianjin Energy Conservation	336,000,000	Tianjin, PRC	Tianjin, PRC	Intensive processing of glass	75%	25%	Establishment
Dongguan CSG Engineering	240,000,000	Dongguan, PRC	Dongguan, PRC	Intensive processing of glass	75%	25%	Establishment
Dongguan CSG Solar	480,000,000	Dongguan, PRC	Dongguan, PRC	Production and sales of special glass and photovoltaic glass	75%	25%	Establishment
Dongguan CSG PV-tech	516,000,000	Dongguan, PRC	Dongguan, PRC	Production and sales of hi-tech green battery and components	100%		Establishment
Yichang CSG Polysilicon	1,467,980,000	Yichang, PRC	Yichang, PRC	Production and sales of high-purity silicon materials	75%	25%	Establishment
Wujiang CSG Engineering	320,000,000	Wujiang, PRC	Wujiang, PRC	Intensive processing of glass	75%	25%	Establishment
Hebei CSG (note 1)	48,066,000	Yongqing, PRC	Yongqing, PRC	Production and sales of special glass	75%	25%	Establishment
Wujiang CSG	565,041,798	Wujiang, PRC	Wujiang, PRC	Production and sales of special glass	100%		Establishment
China Southern Glass (Hong Kong) Limited (note 2)	86,440,000	Hong Kong, PRC	Hong Kong, PRC	Investment holding	100%		Establishment
Xianning CSG	235,000,000	Xianning, PRC	Xianning, PRC	Production and sales of special glass and photovoltaic glass	75%	25%	Establishment

Name of subsidiary	Registered capital	Major business location	Place of registration	Scope of business	Shareholding		Method of acquisition
					Direct	Indirect	
Xianning CSG Energy-Saving	215,000,000	Xianning, PRC	Xianning, PRC	Intensive processing of glass	75%	25%	Separation
Qingyuan CSG Energy-Saving	1,055,000,000	Qingyuan, PRC	Qingyuan, PRC	Production and sales of ultra-thin electronic glass	100%		Establishment
Shenzhen CSG Financial Leasing Co., Ltd.	300,000,000	Shenzhen, PRC	Shenzhen, PRC	Finance leasing, etc.	75%	25%	Establishment
Jiangyou CSG Mining Development Co. Ltd.	100,000,000	Jiangyou, PRC	Jiangyou, PRC	Production and sales of silica and its by-products	100%		Establishment
Shenzhen CSG Display:	143,000,000	Shenzhen, PRC	Shenzhen, PRC	Production and sales of display component products	60.8%		Acquisition
Zhaoqing Energy Saving Company	200,000,000	Zhaoqing PRC	Zhaoqing PRC	Intensive processing of glass	100%		Establishment
Zhaoqing Automobile Company	200,000,000	Zhaoqing PRC	Zhaoqing PRC	Intensive processing of glass	100%		Establishment
Anhui Energy Company	1,750,000,000	Fengyang, PRC	Fengyang, PRC	Production and sales of photovoltaic glass	100%		Establishment
Anhui Quartz Company	75,000,000	Fengyang, PRC	Fengyang, PRC	Production and sales of solar glass products	100%		Establishment
Anhui Silicon Valley Mingdu Mining Company	360,000,000	Fengyang, PRC	Fengyang, PRC	Mineral resources exploitation	60%		Establishment
Xi'an energy conservation company	150,000,000	Xi’an, PRC	Xi’an, PRC	Intensive processing of glass	55%	45%	Establishment
Qinghai New Energy	1,350,000,000	Delingha, PRC	Delingha, PRC	Production and sales of high purity silicon products	100%		Establishment
Guangxi New Energy Materials Company	600,000,000	Beihai, PRC	Beihai, PRC	Production and sales of photovoltaic glass	75%	25%	Establishment

Note 1: The registered capital of Hebei CSG is in USD.

Note 2: The registered capital of China Southern Glass (Hong Kong) Limited is in HKD.

XI. GOVERNMENT GRANTS

1. Liabilities involving government grants

√ Applicable □ Not applicable

Unit: RMB

Accounting item	1 January 2024	Increase in current period	Amount included in non-operating income in current period	Amount transferred to other income in current period	30 June 2024	Asset related/income related
Deferred income	430,143,830	38,341,600		27,058,673	441,426,757	Asset related/income related
Total	430,143,830	38,341,600		27,058,673	441,426,757	

2. Government grants included in current profits and losses

√ Applicable □ Not applicable

Unit: RMB

Accounting item	H1 2024	H1 2023
Amortization of government subsidies	27,058,673	21,916,903
Other government subsidies	31,507,137	28,608,269
Total	58,565,810	50,525,172

XII. FINANCIAL INSTRUMENT RISK MANAGEMENT

The Group's main financial instruments include monetary funds, notes receivable, accounts receivable, receivable financing, other receivables, non-current assets due within one year, other current assets, notes payable, accounts payable, Other payables, short-term borrowings, trading financial liabilities, non-current liabilities due within one year, long-term borrowings, bonds payable , lease liabilities and long-term payables. Details of each financial instrument have been disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The management of the Group manages and monitors these risk exposures to ensure that the above risks are controlled within limited limits.

1. Risk management objectives and policies

The main risks caused by the Group's financial instruments are credit risk, liquidity risk, and market risk (including exchange rate risk, interest rate risk, and commodity price risk).

The Group's overall risk management plan addresses the unpredictability of financial markets and strives to reduce potential adverse effects on the Group's financial performance.

The Group has formulated risk management policies to identify and analyze the risks faced by the Group, set appropriate risk acceptance levels and design corresponding internal control procedures to monitor the Group's risk levels. The Group will regularly reassess these risk management policies and related internal control systems to adapt to changes in market conditions or the Group's operating activities. The internal audit department also regularly and irregularly checks whether the implementation of the internal control system complies with the risk management policy.

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies clearly define specific risks and cover many aspects such as market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's operating activities to determine whether to update risk management policies and systems. The Group's risk management is carried out by relevant departments in accordance with policies approved by the Board of Directors. These departments identify, evaluate and avoid relevant risks through close cooperation with other business departments of the Group.

The Group diversifies financial instrument risks through appropriate diversification of investments and business portfolios, and reduces risks concentrated in a single industry, specific region or specific counterparty by formulating corresponding risk management policies.

（1）Credit risk

Credit risk refers to the risk that the counterparty fails to perform its contractual obligations, resulting in financial losses to the Group.

The Group manages credit risks by portfolio classification. Credit risk mainly arises from bank deposits, bills receivable, accounts receivable, other receivables, etc.

The Group's bank deposits are mainly deposited in state-owned banks and other large and medium-sized listed banks. The Group expects that there will be no significant credit risk in bank deposits.

For notes receivable, accounts receivable, other receivables and long-term receivables, the Group sets relevant policies to control credit risk exposure. The Group evaluates the customer's credit qualifications and sets corresponding credit periods based on the customer's financial status, credit history and other factors such as current market conditions. The Group will regularly monitor customer credit records. For customers with poor credit records, the Group will use written reminders, shorten the credit period or cancel the credit period to ensure that the Group's overall credit risk is within a controllable range. .

The debtors of the Group's accounts receivable are customers located in different industries and regions. The Group continues to conduct credit assessments on the financial status of accounts receivable and purchases credit guarantee insurance when appropriate.

The Group's maximum exposure to credit risk is the carrying amount of each financial asset on the balance sheet. The Group does not provide any other guarantees that may expose the Group to credit risk. Among the Group's accounts receivable, those from the top five customers(mainly photovoltaic glass customers) accounted for 30% of the Group's total accounts receivable (2023: 39%).These customers are all industry leaders with good credit, thus reducing the risk of accounts receivable recovery for this group. Among the Group's other receivables, those from the top five companies in terms of arrears. Other receivables account for 88% of the Group's total other receivables (2023: 87%).

（2）Liquidity risk

Liquidity risk refers to the risk that the Group encounters a shortage of funds when fulfilling its obligations to settle by delivering cash or other financial assets.

When managing liquidity risk, the Group maintains and monitors cash and cash equivalents that management considers sufficient to meet the Group's operating needs and reduce the impact of cash flow fluctuations. The management of the Group monitors the use of bank borrowings and ensures compliance with borrowing agreements. At the same time, obtain commitments from major financial institutions to provide sufficient backup funds to meet short-term and long-term funding needs.

At the end of the period, the financial liabilities and off-balance sheet guarantee items held by the Group are analyzed based on the maturity period of the undiscounted remaining contract cash flows as follows (unit: RMB):

Item	30 June 2024				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Financial liabilities:					
Short-term borrowings	293,776,684				293,776,684
Notes payable	2,509,626,956				2,509,626,956
Accounts payable	3,338,914,236				3,338,914,236
Other payables	1,160,609,297				1,160,609,297
Non-current liabilities due within one year	1,567,681,490				1,567,681,490
Other current liabilities	296,865,126				296,865,126
Long-term borrowings	221,738,975	2,586,683,966	3,521,083,493	1,084,806,033	7,414,312,467
Lease liabilities		1,154,300	3,789,641	9,735,337	14,679,278
Long-term payables		78,423,577	340,888,116	91,646,200	510,957,893
Total financial liabilities and contingent liabilities	9,389,212,764	2,666,261,843	3,865,761,250	1,186,187,570	17,107,423,427

At the end of last year , the financial liabilities and off-balance sheet guarantee items held by the Group were analyzed based on the maturity period of the undiscounted remaining contract cash flows as follows (unit: RMB):

Item	1 January 2024				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Financial liabilities:					
Short-term borrowings	442,145,185				442,145,185
Notes payable	2,041,353,189				2,041,353,189
Accounts payable	3,341,624,602				3,341,624,602
Other payables	484,741,877				484,741,877
Non-current liabilities due within one year	1,271,501,008				1,271,501,008
Other current liabilities	454,332,686				454,332,686
Long-term borrowings	214,670,100	1,941,153,526	3,246,286,160	1,584,820,574	6,986,930,360
Lease liabilities		1,128,760	3,705,792	10,300,010	15,134,562

Item	1 January 2024				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Long-term payables		42,003,985	46,200,178		88,204,163
Total financial liabilities and contingent liabilities	8,250,368,647	1,984,286,271	3,296,192,130	1,595,120,584	15,125,967,632

The amounts of financial liabilities disclosed in the table above represent undiscounted contractual cash flows and therefore may differ from the carrying amounts in the balance sheet.

（3）Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to market price changes, including interest rate risk, exchange rate risk and other price risks.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk can arise from both recognized interest-bearing financial instruments and unrecognized financial instruments (such as certain loan commitments).

The Group's interest rate risk mainly arises from long-term interest-bearing debt such as long-term bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Group to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market environment, and maintains an appropriate mix of fixed-rate and floating-rate instruments through regular review and monitoring.

The Group pays close attention to the impact of interest rate changes on the Group's interest rate risk. The Group currently does not adopt an interest rate hedging policy. However, management is responsible for monitoring interest rate risk and will consider hedging significant interest rate risk if necessary. An increase in interest rates will increase the cost of new interest-bearing debt and the interest expense of the Group's unpaid interest-bearing debt with floating interest rates, and will have a significant adverse impact on the Group's financial results. The management will base on the latest market trends Adjustments are made in a timely manner to the situation, and these adjustments may be through interest rate swap arrangements to reduce interest rate risk.

The interest-bearing financial instruments held by the Group are as follows (unit: RMB):

Item	30 June 2024	1 January 2024
Contracts at fixed rates	1,075,553,150	1,123,875,582
Contracts at floating rates	5,675,067,058	5,097,773,094
Total	6,750,620,208	6,221,648,676

Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Exchange rate risk can arise from financial instruments denominated in foreign currencies other than the functional currency of accounting.

Exchange rate risk is mainly due to the impact of the Group's financial position and cash flows on foreign exchange rate fluctuations. Except for the subsidiaries established in Hong Kong that hold assets settled in Hong Kong dollars, the proportion of foreign currency assets and liabilities held by the Group to the overall assets and liabilities is not significant. Therefore, the Group believes that the exchange rate risk it faces is not significant.

At the end of the period , the amounts of foreign currency financial assets and foreign currency financial liabilities held by the Group converted into RMB are listed as follows (unit: RMB) :

Item	Foreign currency liabilities		Foreign currency assets	
	30 June 2024	1 January 2024	30 June 2024	1 January 2024
USD	28,839,292	26,941,200	232,599,362	297,351,920
HKD		54,917	7,278,539	15,309,673
Others	1,893,304	1,642,375	6,722,557	7,102,354
Total	30,732,596	28,638,492	246,600,458	319,763,947

The Group pays close attention to the impact of exchange rate changes on the Group's exchange rate risk. Management is responsible for monitoring exchange rate risk and will consider hedging significant exchange rate risk if necessary.

As of 30 June 2024, for the Group's various U.S. dollar financial assets and U.S. dollar financial liabilities, if the RMB appreciates or depreciates by 10% against the U.S. dollar and other factors remain unchanged, the Group's net profit will decrease or increase by approximately RMB 17,319,606. (31 December 2023: decrease or increase of approximately RMB 22,984,911).

2. Capital management

The goal of the Group's capital management policy is to ensure that the Group can continue to operate, thereby providing returns to shareholders and benefiting other stakeholders, while maintaining an optimal capital structure to reduce capital costs.

In order to maintain or adjust the capital structure, the Group may adjust financing methods, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Group monitors the capital structure based on the asset-liability ratio (i.e., total liabilities divided by total assets). At the end of the period, the Group's asset-liability ratio was 55% (end of the previous year: 52%).

XIII. DISCLOSURE OF FAIR VALUE

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

Unit: RMB

Item	Closing fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	--	--	--	--
Receivables financing			622,130,245	622,130,245
Investment properties		292,711,858		292,711,858
Total		292,711,858	622,130,245	914,842,103

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information of the parent company

The Company regards no entity as the parent company.

2. The subsidiaries

The general information and other related information of the subsidiaries are set out in Note “X. EQUIRTY IN OTHER ENTITIES”.

3. General information of the Group’s associate

None

4. Other related parties information

Name of Other Related Party	Relationship with the Group
Qianhai Life Insurance Co., Ltd	The largest shareholder of the Company
Shantou Chaoshang Urban Comprehensive Management Co.,	Related party of the Company's largest shareholder

Name of Other Related Party	Relationship with the Group
Ltd	
Qianhai Life Insurance (Xi'an) Hospital Co., Ltd.	Related party of the Company's largest shareholder
Shenzhen Baoyao Construction Engineering Co., Ltd.	Related party of the Company's largest shareholder
Shenzhen Hongtu Construction Co., Ltd.	Related party of the Company's largest shareholder
Suzhou Baoqi Logistics Co., Ltd.	Related party of the Company's largest shareholder
Shantou Laihua Industrial Co., Ltd.	Related party of the Company's largest shareholder
Shen Zhen Golden Flourish Supply Chain Limited	Related party of the Company's largest shareholder

5. Related party transactions

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

Table on purchase of goods/receiving of services

Unit: RMB

Related parties	Related transaction	H1 2024	H1 2023
Qianhai Life Insurance Co., Ltd	Receive service	3,724,810	3,787,542
Total		3,724,810	3,787,542

Table on sales of goods/providing of services

Unit: RMB

Related parties	Related transaction	H1 2024	H1 2023
Qianhai Life Insurance (Xi'an) Hospital Co., Ltd.	Sales of goods	1,446,563	
Shenzhen Baoyao Construction Engineering Co., Ltd.	Sales of goods	107,329	
Shantou Chaoshang Urban Comprehensive Management Co., Ltd	Sales of goods		478,927
Shantou Laihua Industrial Co., Ltd.	Sales of goods		71,645
Total		1,553,892	550,572

6. Receivables from and payables to related parties

（1）Receivables from related parties

Unit: RMB

Item	Related parties	30 June 2024		1 January 2024	
		Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Accounts receivable	Shenzhen Hongtu Construction Co., Ltd.	8,652,356	7,382,793	8,652,356	7,382,793
Accounts receivable	Qianhai Life Insurance (Xi'an) Hospital Co., Ltd.	192,716	3,854		
Accounts receivable	Shen Zhen Golden Flourish Supply Chain Limited	22,090	20,986	22,090	20,986
Advances	Qianhai Life Insurance Co., Ltd	119,625		4,441	

Item	Related parties	30 June 2024		1 January 2024	
		Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
to suppliers					
Total		8,986,787	7,407,633	8,678,887	7,403,779

（2）Payables to related parties

Unit: RMB

Item	Related parties	30 June 2024	1 January 2024
Accounts payable	Suzhou Baoqi Logistics Co., Ltd	308,667	314,667
Other payables	Qianhai Life Insurance Co., Ltd	6,646	386,589
Contract liabilities	Other related parties	411,875	504,538
Total		727,188	1,205,794

XV. SHARE-BASED PAYMENTS

1. Overall share-based payments

None

2. Equity-settled share-based payments

None

3. Cash-settled share-based payments

None

4. Share-based payments in the current period

None

XVI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

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

Unit: RMB

Item	30 June 2024	1 January 2024
Buildings, machinery and equipment	1,673,293,474	3,010,778,541

2. Contingencies

Contingent liabilities arising from pending litigation and arbitration and their financial impact

Unit: RMB

Plaintiff	Defendant	Cause of action	Court of acceptance	Target amount	Case progress
The Company (note 1)	Zeng Nan, Luo Youming, Wu Guobin, Ding Jiuru, Li Weinan , Yichang Hongtai Real Estate Co., Ltd.	Disputes over liability for harming company interests	Shenzhen Intermediate People's Court	229,200,087	Under second trial
Fengyang Wenyang Building and Decoration Materials Co., Ltd. (note 2)	Anhui CSG New Energy Materials Technology Co., Ltd.	Disputes over creditor's subrogation rights	Fengyang County People's Court	17,349,467	Under trial

Note 1: The Company requested the Defendants to jointly compensate the plaintiff for the RMB 171 million principal amount of the subsidy funds granted by the government to the Group as well as the interest loss of RMB 58.2 million. As of the date of disclosure of this Report, the case is under trial. In relation to the matter of the RMB 171 million special fund for the introduction of talents, the Company filed a lawsuit against Zeng Nan et al. and Yichang Hongtai Real Estate Co., Ltd. on 15 December 2021 for infringement of rights and compensation, which was formally accepted on 28 January 2022 by Shenzhen Intermediate People's Court. The first instance of the case was heard at Shenzhen Intermediate People's Court on 21 June 2022. On 4 June 2024, the Company received the first instance Civil Judgment issued by Shenzhen Intermediate People's Court, which rejected all of the Company's litigation requests. In June 2024, the Company filed an appeal to Guangdong Higher People's Court, and the case is currently in the process of the second instance.

Note 2: The plaintiff sued Anhui New Energy for subrogation to bear the delayed payment and interest on the grounds that the concrete from Hefei Construction Materials and Equipment Co., Ltd. was used in the civil construction project of the defendant Anhui New Energy. As of the announcement date of this report, the case is under trial. The Company has confirmed all accounts payable with relevant payment obligations.

XVII. POST-BALANCE SHEET EVENTS

None.

XVIII. OTHER SIGNIFICANT EVENTS

1. Segment reporting

（1）Determination basis and accounting policy of report segment

Based on the Group's internal organizational structure, management requirements and internal reporting system, the Group's operating business is divided into four reporting segments. These reporting segments are determined based on the financial information required by the company for daily internal management. The Group's management regularly evaluates the operating results of these reportable segments to determine the allocation of resources to them and evaluate their performance.

The Group's reportable segments include:

-The Glass Division is responsible for the production and sales of float glass, photovoltaic glass products, architectural glass products, and silica sand required for the production of related glass.

-The Electronic Glass and Display device Division is responsible for the production and sales of display components and special ultra-thin glass products.

-The Solar Energy and Others segment is responsible for the production and sales of polysilicon and solar cell module products, photovoltaic energy development and other products.

-Other unallocated divisions.

Segment reporting information is disclosed based on the accounting policies and measurement standards adopted by each segment when reporting to management. These accounting policies and measurement basis are consistent with those used when preparing financial statements.

（2）Financial information of reporting segments

Unit: RMB

Item	Glass industry	Electronic glass and display device	Solar energy and other industries	Unallocated amount	Inter-segment elimination	Total
Revenue from external customers	7,132,198,082	638,348,372	305,452,520	2,971,677		8,078,970,651
Inter-segment revenue	66,507,407	71,490,724	44,181,044	193,370,462	-375,549,637	
Interest expenses	76,856,192	4,356,994	2,258,875	31,753,909		115,225,970
Depreciation and amortization expenses	470,959,748	110,198,227	68,634,265	8,670,282		658,462,522
Total profit/(loss)	876,285,926	-7,528,915	-93,703,707	24,472,571		799,525,875
Total assets	19,645,776,935	3,225,766,932	6,861,488,006	2,535,923,633		32,268,955,506
Total liabilities	10,521,288,872	563,111,651	2,900,262,156	3,790,791,317		17,775,453,996
Increase in non-current assets	774,245,894	17,990,864	984,668,244	1,054,066		1,777,959,068

XIX. NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

（1）Disclosure by age

Unit: RMB

Aging	30 June 2024	1 January 2024
Within 1 year (including 1 year)	237,211,824	240,038,959
Total	237,211,824	240,038,959

（2） Classification by bad debt accrual method

Unit: RMB

Category	30 June 2024					1 January 2024				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Provision for bad debts on a portfolio basis	237,211,824	100%			237,211,824	240,038,959	100%			240,038,959
Total	237,211,824	100%			237,211,824	240,038,959	100%			240,038,959

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

Unit: RMB

Name	Accounts receivable closing balance	Percentage in total accounts receivable balance	Provision for bad debts closing balance
Total balances for the five largest accounts receivable	195,525,151	82%	
Total	195,525,151	82%	

2. Other receivables

Unit: RMB

Item	30 June 2024	1 January 2024
Dividends receivable	127,775,200	126,870,800
Other receivables	2,409,559,249	2,030,231,679
Total	2,537,334,449	2,157,102,479

（1）Dividends receivable

1）Disclosed by categories

Unit: RMB

Item	30 June 2024	1 January 2024
Dividends receivable from subsidiaries	127,775,200	126,870,800
Total	127,775,200	126,870,800

（2）Other receivables

1）Other receivables categorized by nature

Unit: RMB

Nature of receivables	30 June 2024	1 January 2024
Due from related parties	2,287,481,057	1,908,899,993
Others	173,426,727	172,750,521
Total	2,460,907,784	2,081,650,514

2） Disclosure by age

Unit: RMB

Aging	30 June 2024	1 January 2024
Within 1 year (including 1 year)	2,093,287,353	1,753,727,543
Over 1 year	367,620,431	327,922,971
Total	2,460,907,784	2,081,650,514

3） Classification by bad debt accrual method

Unit: RMB

Category	30 June 2024				
	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Accrual proportion	
Provision for bad debts on an individual basis	171,000,000	7%	51,300,000	30%	119,700,000
Provision for bad debts on a portfolio basis	2,289,907,784	93%	48,535		2,289,859,249
Including:					
Related party combination	2,287,481,057	93%			2,287,481,057
Unrelated party combination	2,426,727		48,535	2%	2,378,192
Total	2,460,907,784	100%	51,348,535	2%	2,409,559,249

(Continued)

Category	1 January 2024				
	Carrying amount		Provision for bad debts		Book value
	Amount	Proportion	Amount	Accrual proportion	
Provision for bad debts on an individual basis	171,000,000	8%	51,300,000	30%	119,700,000
Provision for bad debts on a portfolio basis	1,910,650,514	92%	118,835		1,910,531,679
Including:					
Related party combination	1,908,899,993	92%			1,908,899,993
Unrelated party combination	1,750,521		118,835	7%	1,631,686
Total	2,081,650,514	100%	51,418,835	2%	2,030,231,679

Provision for bad debts on an individual basis:

Unit: RMB

Item	1 January 2024		30 June 2024			
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Provision proportion	Reason for provision
Provision for bad debts on an individual basis, which is of a significant single amount	171,000,000	51,300,000	171,000,000	51,300,000	30%	Under trial
Total	171,000,000	51,300,000	171,000,000	51,300,000		

Provision for bad debts on a portfolio basis:

Unit: RMB

Item	30 June 2024		
	Carrying amount	Provision for bad debts	Provision proportion
Unrelated parties	2,426,727	48,535	2%
Total	2,426,727	48,535	

Provision for bad debts accrued on the basis of a general model of expected credit losses:

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss for the whole period (no credit impairment)	Expected credit loss for the whole period (with credit impairment)	
Amount on 1 January 2024	118,835		51,300,000	51,418,835
Carrying amount on 1 January 2024 that in this period:				
Provision for the period	5,660			5,660

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss for the whole period (no credit impairment)	Expected credit loss for the whole period (with credit impairment)	
Reverse for the period	75,960			75,960
Amount on 30 June 2024	48,535		51,300,000	51,348,535

4） Bad debt provisions accrued, recovered or reversed in the current period

Bad debt provisions in the current period:

Unit: RMB

Category	1 January 2024	Change in the current period				30 June 2024
		Accrued	Recovered or reversed	Written off	Others	
Bad debt provisions for other receivables	51,418,835	5,660	75,960			51,348,535
Total	51,418,835	5,660	75,960			51,348,535

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

Unit: RMB

Name	Nature of business	30 June 2024	Ageing	Percentage in total other receivables balance	Provision for bad debts
Company A	Advance payment for other party	542,285,536	Within 1 year	22%	
Company B	Advance payment for other party	365,065,100	Within 1 year	15%	
Company C	Advance payment for other party	193,858,596	Within 1 year	8%	
Company D	Advance payment for other party	171,000,000	Over 5 years	7%	51,300,000
Company E	Advance payment for other party	163,405,241	Within 1 year	7%	
Total		1,435,614,473		59%	51,300,000

3. Long-term equity investments

Unit: RMB

Item	30 June 2024			1 January 2024		
	Carrying amount	Impairment provision	Book value	Carrying amount	Impairment provision	Book value
Investment in subsidiaries	10,244,533,769	15,000,000	10,229,533,769	9,821,533,769	15,000,000	9,806,533,769
Total	10,244,533,769	15,000,000	10,229,533,769	9,821,533,769	15,000,000	9,806,533,769

（1）Investments in subsidiaries

Unit: RMB

Investee	Opening book value	Opening impairment provision	Movement in current period				Closing book value	Closing impairment provision
			Increase in investment	Decrease in investment	Impairment provision	Others		
Chengdu CSG Company	151,397,763						151,397,763	
Sichuan Energy Saving Company	119,256,949						119,256,949	
Tianjin Energy Saving Company	247,833,327						247,833,327	
Dongguan Engineering Company	222,276,243						222,276,243	
Dongguan Solar Energy Company	355,120,247						355,120,247	
Dongguan Photovoltaic Company	432,112,183						432,112,183	
Yichang Silicon Material Company	909,960,170						909,960,170	
Wujiang Engineering Company	254,401,190						254,401,190	
Hebei CSG Company	266,189,705						266,189,705	
CSG (Hong Kong) Co., Ltd.	87,767,304						87,767,304	
Wujiang CSG Company	567,645,430						567,645,430	
Jiangyou CSG Mining Development Co., Ltd.	102,415,096						102,415,096	
Xianning Float Company	181,116,277						181,116,277	
Xianning Energy Saving Company	165,452,035						165,452,035	
Qingyuan Energy Saving Company	885,273,105						885,273,105	
Shenzhen CSG Financial Leasing Co., Ltd.	133,500,000						133,500,000	
Shenzhen Display Device Company	550,765,474						550,765,474	
Zhaoqing Energy Saving Company	200,000,000						200,000,000	
Zhaoqing CSG Automotive Glass Co., Ltd.	159,959,074						159,959,074	
Anhui New Energy Company	1,550,000,000		200,000,000				1,750,000,000	

Investee	Opening book value	Opening impairment provision	Movement in current period				Closing book value	Closing impairment provision
			Increase in investment	Decrease in investment	Impairment provision	Others		
Anhui Quartz Company	75,000,000						75,000,000	
Anhui Silicon Valley Mingdu Company	216,000,000						216,000,000	
Xi'an Energy Saving Company	82,500,000						82,500,000	
Guangxi New Energy Materials Company	227,000,000		223,000,000				450,000,000	
CSG (Suzhou) Corporate Headquarters Management Co., Ltd.	30,000,000						30,000,000	
Shenzhen CSG Quartz Materials Industrial Co., Ltd.	40,000,000						40,000,000	
Shenzhen CSG New Energy Industry Development Co., Ltd.	1,350,000,000						1,350,000,000	
Others	243,592,197	15,000,000					243,592,197	15,000,000
Total	9,806,533,769	15,000,000	423,000,000				10,229,533,769	15,000,000

4. Operating income and operating costs

Unit: RMB

Item	H1 2024		H1 2023	
	Revenue	Cost	Revenue	Cost
Principal operation	2,824,451		833,033	
Other operations	193,179,612		218,992,685	
Total	196,004,063		219,825,718	

5. Investment income

Unit: RMB

Item	H1 2024	H1 2023
Investment income from long-term equity investment under cost method	655,900,646	1,680,533,152
Others	924,109	1,534,181
Total	656,824,755	1,682,067,333

XX. SUPPLEMENTARY INFORMATION

1.Statement of non-recurring gains and losses

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	Notes
Gains/losses from the disposal of non-current asset	4,202,074	
Government subsidies included in the profit and loss of the current period (closely related to the normal operation of the company, in line with national policies and provisions, in accordance with the defined standards, except government subsidies that have a continuous impact on the profit and loss of the company)	58,517,357	
In addition to the effective hedging business related to the normal operation of the company, the profit or loss of fair value changes arising from the holding of financial assets and financial liabilities by non-financial enterprises and the loss or gain arising from the disposal of financial assets and financial liabilities and available for sale financial assets	924,109	
Reversal of provision for impairment of receivables that have been individually tested for impairment	6,819,779	
Profit and loss from debt restructuring	569,142	
Other non-operating income and expenditure except for the aforementioned items	1,748,299	
Less: Impact on income tax	11,058,108	
Impact on minority shareholders' equity (post-tax)	1,512,282	
Total	60,210,370	--

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

□ Applicable √ Not applicable

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

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

□ Applicable √ Not applicable

2.ROE and earnings per share

Profit during the reporting period	Weighted average return on equity %	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to the company’s ordinary shareholders	5.08%	0.24	0.24
Net profit attributable to the company's ordinary shareholders after deducting non-recurring gains and losses	4.67%	0.22	0.22