

## Financial Report of Semi-annual Report 2017

### (I) Auditors' Report

Whether the Semi-annual Report has been audited or not

Yes  No

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

### (II) Financial Statements

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

#### 1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	Ending balance	Beginning balance
Current asset:		
Monetary capital	934,235,201	586,803,505
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	536,557,203	456,347,237
Account receivable	679,943,915	627,985,983
Prepayment	162,247,377	95,733,132
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	33,559,090	33,229,149
Repurchasing of financial assets		
Inventories	630,593,776	477,780,925
Assets held for sales		
Non-current asset due in 1 year		

Other current asset	249,369,319	199,905,577
Total of current asset	3,226,505,881	2,477,785,508
Non-current assets		
Loans and payment on other's behalf disbursed		
Available-for-sale financial asset		
Expired investment in possess		
Long-term receivable		
Long-term share equity investment		
Investment real estates		
Fixed assets	11,773,502,135	11,457,972,991
Construction in process	1,259,425,371	1,362,096,377
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,021,669,447	1,032,458,977
R&D expense	76,049,471	66,927,714
Goodwill	397,392,156	397,392,156
Long-term amortizable expenses	9,693,102	975,660
Differed income tax asset	84,697,210	96,451,854
Other non-current asset	81,346,840	87,174,393
Total of non-current assets	14,703,775,732	14,501,450,122
Total of assets	17,930,281,613	16,979,235,630
Current liabilities		
Short-term loans	2,399,694,000	4,017,869,662
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into		
Derivative financial liabilities		
Notes payable	114,500,000	20,000,000
Account payable	1,382,500,478	1,169,869,370
Prepayment received	201,549,137	142,330,979

Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	173,186,321	193,372,239
Tax payable	87,961,271	115,592,616
Interest payable	98,184,696	78,225,904
Dividend payable	207,533,556	
Other account payable	844,823,887	188,321,450
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	1,101,203,702	1,029,340,000
Other current liability	300,000	300,000
Total of current liability	6,611,437,048	6,955,222,220
Non-current liabilities		
Long-term borrowings	1,624,000,000	1,438,660,000
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	838,871,670	
Long-term payable employees's remuneration		
Special payable		
Anticipated liabilities		
Differed income	420,880,301	422,993,254
Differed income tax liability	24,164,221	29,749,137
Other non-recurring liabilities		
Total of non-current liabilities	2,907,916,192	1,891,402,391
Total of liability	9,519,353,240	8,846,624,611
Owners' equity		
Share capital	2,075,335,560	2,075,335,560
Other equity instruments		
Including: preferred stock		
Sustainable debt		

Capital reserves	1,349,953,977	1,260,702,197
Less: Shares in stock		
Other comprehensive income	3,577,707	4,653,971
Special reserves	3,233,660	5,843,473
Surplus reserves	888,850,230	888,850,230
Common risk provision		
Undistributed profit	3,762,408,180	3,576,949,573
Total of owner's equity belong to the parent company	8,083,359,314	7,812,335,004
Minor shareholders' equity	327,569,059	320,276,015
Total of owners' equity	8,410,928,373	8,132,611,019
Total of liability and owners' equity	17,930,281,613	16,979,235,630

Legal Representative: Chen Lin

CFO: Pan Yonghong

Manager of the financial department: Wang Wenxin

## 2. Balance Sheet of the Parent Company

Unit: RMB

Item	Ending balance	Beginning balance
Current asset:		
Monetary capital	559,161,574	302,841,481
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable		
Prepayment	1,750,000	16,880
Interest receivable		
Dividend receivable		
Other account receivable	3,416,514,546	3,863,121,029
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current asset	3,977,426,120	4,165,979,390
Non-current assets		
Available-for-sale financial asset		

Expired investment in possess		
Long-term receivable	2,003,645,000	2,003,645,000
Long-term share equity investment	4,790,440,632	4,790,440,632
Investment real estates		
Fixed assets	23,798,714	26,073,848
Construction in process		
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,167,664	1,393,454
R&D expense		
Goodwill		
Long-term amortizable expenses		
Differed income tax asset		
Other non-current asset		
Total of non-current assets	6,819,052,010	6,821,552,934
Total of assets	10,796,478,130	10,987,532,324
Current liabilities		
Short-term loans	1,690,000,000	3,495,163,044
Financial liabilities measured at fair value with variations accounted into		
Derivative financial liabilities		
Notes payable		
Account payable	34,528	317,874
Prepayment received		
Employees' wage payable	42,237,698	18,380,010
Tax payable	1,019,727	1,804,568
Interest payable	8,767,301	3,794,646
Dividend payable	207,533,556	
Other account payable	1,151,107,561	240,593,894
Liabilities held for sales		
Non-current liability due in 1 year	1,000,000,000	1,000,000,000
Other current liability		

Total of current liability	4,100,700,371	4,760,054,036
Non-current liabilities		
Long-term borrowings	1,380,000,000	1,380,000,000
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	649,823,518	
Long-term payable employees's remuneration		
Special payable		
Anticipated liabilities		
Differed income	16,280,660	12,035,040
Differed income tax liability		
Other non-recurring liabilities		
Total of non-current liabilities	2,046,104,178	1,392,035,040
Total of liability	6,146,804,549	6,152,089,076
Owners' equity		
Share capital	2,075,335,560	2,075,335,560
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,494,670,923	1,405,529,511
Less: Shares in stock		
Other comprehensive income		
Special reserves		
Surplus reserves	903,395,590	903,395,590
Undistributed profit	176,271,508	451,182,587
Total of owners' equity	4,649,673,581	4,835,443,248
Total of liability and owners' equity	10,796,478,130	10,987,532,324

### 3. Consolidated Income Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	4,944,337,861	4,228,165,642
Incl. Business income	4,944,337,861	4,228,165,642

Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	4,502,642,030	3,720,133,533
Incl. Business cost	3,737,514,462	3,076,818,503
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Tax and surcharge	61,745,775	33,485,783
Sales expense	156,344,731	128,564,831
Administrative expense	402,554,340	348,836,395
Financial expenses	143,374,027	133,353,393
Asset impairment loss	1,108,695	-925,372
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)		-14,264,359
Incl. Investment gains from affiliates		-14,264,359
Exchange gains (“-“ for loss)		
Other gains	23,674,234	
III. Operational profit (“-“ for loss)	465,370,065	493,767,750
Plus: non-operational income	16,029,596	50,038,364
Incl. Income from disposal of non-current assets	57,734	248,642
Less: non-operational expenditure	732,592	661,628
Incl. Loss from disposal of non-current assets	129,490	19,984
IV. Gross profit (“-“ for loss)	480,667,069	543,144,486
Less: Income tax expenses	80,453,021	77,843,164
V. Net profit (“-“ for net loss)	400,214,048	465,301,322
Net profit attributable to the owners of parent company	392,992,163	466,883,254
Minor shareholders' equity	7,221,885	-1,581,932
VI. Net amount of other gains after tax	-1,076,264	508,053

Net amount of other gains after tax attributable to owners of parent company	-1,076,264	508,053
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period	-1,076,264	508,053
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements	-1,076,264	508,053
6. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total of misc. incomes	399,137,784	465,809,375
Total of misc. incomes attributable to the owners of the parent company	391,915,899	467,391,307
Total misc gains attributable to the minor shareholders	7,221,885	-1,581,932
VIII. Earnings per share:		
(I) Basic earnings per share	0.19	0.22
(II) Diluted earnings per share	0.19	0.22

Legal Representative: Chen Lin

CFO: Pan Yonghong

Manager of the financial department: Wang Wenxin

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

Unit: RMB

Items	Balance of this period	Balance of last period
I. Revenue	27,295,266	1,077,394
Less:business cost	0	60,334
Tax and surcharge	5,136,944	94,720
Sales expense		
Administrative expense	70,540,224	61,812,557
Financial expenses	19,800,295	11,263,822
Asset impairment loss	7,706	-1,770,242
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)		399,280,607
Incl. Investment gains from affiliates		9,850,045
Other gains	18,000	
II. Operational profit (“-“ for loss)	-68,171,903	328,896,810
Plus: non-operational income	794,380	766,180
Incl. Income from disposal of non-current assets		1,800
Less: non-operational expenditure		
Incl. Loss from disposal of non-current assets		
III. Gross profit (“-“ for loss)	-67,377,523	329,662,990
Less: Income tax expenses	0	-45,852
IV. Net profit (“-“ for net loss)	-67,377,523	329,708,842
V. Net amount of other gains after tax		
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period		
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2.Gains and losses from changes in fair value available for sale financial assets		

3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total of misc. incomes	-67,377,523	329,708,842
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	5,472,732,654	4,822,965,397
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of disposal of the financial assets measured by fair value with the changes included in the current gains and losses		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	7,273,335	35,363,638
Other cash received from business operation	68,210,702	46,108,936
Sub-total of cash inflow from business activities	5,548,216,691	4,904,437,971
Cash paid for purchasing of merchandise and services	3,278,955,888	2,769,544,694

Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	617,464,364	529,127,685
Taxes paid	380,644,776	336,130,323
Other cash paid for business activities	251,262,209	222,914,920
Sub-total of cash outflow from business activities	4,528,327,237	3,857,717,622
Cash flow generated by business operation, net	1,019,889,454	1,046,720,349
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving		
Cash received as investment profit		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	44,820	617,985
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	24,039,200	29,699,884
Sub-total of cash inflow due to investment activities	24,084,020	30,317,869
Cash paid for construction of fixed assets, intangible assets and other long-term assets	731,954,148	472,503,623
Cash paid as investment		4,250,000
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		507,974,099
Other cash paid for investment activities	31,475,182	21,764,586
Sub-total of cash outflow due to investment activities	763,429,330	1,006,492,308
Net cash flow generated by investment	-739,345,310	-976,174,439
<b>III. Cash flow generated by financing</b>		
Cash received as investment		5,500,000
Incl. Cash received as investment from minor shareholders		5,500,000
Cash received as loans	1,452,919,750	4,443,422,252
Cash received from bond placing		
Other financing-related cash received	1,666,591,530	100,725,978

Subtotal of cash inflow from financing activities	3,119,511,280	4,549,648,230
Cash to repay debts	2,924,757,768	3,988,397,915
Cash paid as dividend, profit, or interests	123,450,004	693,264,874
Incl. Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	3,451,507	109,125,965
Subtotal of cash outflow due to financing activities	3,051,659,279	4,790,788,754
Net cash flow generated by financing	67,852,001	-241,140,524
IV. Influence of exchange rate alternation on cash and cash equivalents	-912,613	559,892
V. Net increase of cash and cash equivalents	347,483,532	-170,034,722
Plus: Balance of cash and cash equivalents at the beginning of term	584,566,990	574,744,877
VI. Balance of cash and cash equivalents at the end of term	932,050,522	404,710,155

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

Unit: RMB

Item	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services		
Tax returned		
Other cash received from business operation	4,843,988	2,616,039
Sub-total of cash inflow from business activities	4,843,988	2,616,039
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	33,652,141	62,007,982
Taxes paid	6,095,316	39,306,033
Other cash paid for business activities	12,279,684	6,551,752
Sub-total of cash outflow from business activities	52,027,141	107,865,767
Cash flow generated by business operation, net	-47,183,153	-105,249,728
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment profit		389,430,562
Net cash retrieved from disposal of fixed assets,		1,800

intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	5,000,000	3,000,000
Sub-total of cash inflow due to investment activities	5,000,000	392,432,362
Cash paid for construction of fixed assets, intangible assets and other long-term assets	565,260	117,326
Cash paid as investment		175,755,000
Net cash received from subsidiaries and other operational units		464,345,956
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	565,260	640,218,282
Net cash flow generated by investment	4,434,740	-247,785,920
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	990,693,638	4,110,000,600
Cash received from bond placing		
Other financing-related cash received	1,806,455,260	326,432,420
Subtotal of cash inflow from financing activities	2,797,148,898	4,436,433,020
Cash to repay debts	2,496,723,365	3,608,000,600
Cash paid as dividend, profit, or interests	2,213,425	662,199,041
Other cash paid for financing activities		
Subtotal of cash outflow due to financing activities	2,498,936,790	4,270,199,641
Net cash flow generated by financing	298,212,108	166,233,379
IV. Influence of exchange rate alternation on cash and cash equivalents	855,016	-2,568,311
V. Net increase of cash and cash equivalents	256,318,711	-189,370,580
Plus: Balance of cash and cash equivalents at the beginning of term	301,637,933	394,606,753
VI. Balance of cash and cash equivalents at the end of term	557,956,644	205,236,173

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

Amount of the Current Term

RMB

Items	Amount of the Current Term												
	Owners' Equity Attributable to the Parent Company											Minority shareholders' Total of owners' equity	Total of owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Common risk provision	Retained profit		
Preferred share		Perpetual capital securities	Others										
I. Balance at the end of the previous year	2,075,335,560				1,260,702,197		4,653,971	5,843,473	888,850,230		3,576,949,573	320,276,015	8,132,611,019
Plus: change of accounting policy													
Correction of errors in previous periods													
Business combination under the same control													
Others													
II. Balance at the beginning of current year	2,075,335,560				1,260,702,197		4,653,971	5,843,473	888,850,230		3,576,949,573	320,276,015	8,132,611,019
III. Amount of change in current term					89,251,780		-1,076,264	-2,609,813			185,458,607	7,293,044	278,317,354

("-" for decrease)													
(I) Total amount of the comprehensive income							-1,076,264				392,992,163	7,221,885	399,137,784
(II) Capital paid in and reduced by owners					89,251,780							71,159	89,322,939
1. Common shares invested by the shareholders													
2. Capital invested by the owners of other equity instruments													
3. Amounts of share-based payments recognized in owners' equity					110,368							71,159	181,527
4. Others					89,141,412								89,141,412
(III) Profit distribution											-207,533,556		-207,533,556
1. Appropriations to surplus reserves													
2. Appropriations to general risk provisions													
3. Appropriations to owners (or shareholders)											-207,533,556		-207,533,556
4. Others													

(IV) Internal carry-forward of owners' equity													
1. New increase of capital (or share capital ) from capital public reserves													
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Others													
(V) Specific reserve								-2,609,813					-2,609,813
1. Withdrawn for the period								3,922,869					3,922,869
2. Used in the period								6,532,682					6,532,682
(VI) Others													
IV. Balance at the end of this term	2,075,335,560				1,349,953,977		3,577,707	3,233,660	888,850,230		3,762,408,180	327,569,059	8,410,928,373

Amount of Last Year

Unit: RMB

Items	Amount of the same period of last year												
	Owners' Equity Attributable to the Parent Company											Minority shareholders' Total of owners' equity	Total of owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Common risk provision	Retained profit		
	Preferred share	Perpetual capital securities	Others										
I. Balance at the end of the previous year	2,075,335,560				1,261,391,272		2,967,772	15,437,498	859,122,330		3,431,556,565	3,080,480	7,648,891,477
Plus: change of accounting policy													
Correction of errors in previous periods													
Business combination under the same control													
Others													
II. Balance at the beginning of current year	2,075,335,560				1,261,391,272		2,967,772	15,437,498	859,122,330		3,431,556,565	3,080,480	7,648,891,477
III. Amount of change in current term ("—" for decrease)					-689,075		1,686,199	-9,594,025	29,727,900		145,393,008	317,195,535	483,719,542

(I) Total amount of the comprehensive income							1,686,199				797,721,576	6,504,948	805,912,723
(II) Capital paid in and reduced by owners					402,262							313,771,067	314,173,329
1. Common shares invested by the shareholders												313,628,750	313,628,750
2. Capital invested by the owners of other equity instruments													
3. Amounts of share-based payments recognized in owners' equity					402,262							142,317	544,579
4. Others													
(III) Profit distribution									29,727,900		-652,328,568		-622,600,668
1. Appropriations to surplus reserves									29,727,900		-29,727,900		
2. Appropriations to general risk provisions													
3. Appropriations to owners (or shareholders)											-622,600,668		-622,600,668
4. Others													
(IV) Internal													

carry-forward of owners' equity													
1. New increase of capital (or share capital ) from capital public reserves													
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Others													
(V) Specific reserve								-9,594,025					-9,594,025
1. Withdrawn for the period								6,930,650					6,930,650
2. Used in the period								16,524,675					16,524,675
(VI) Others					-1,091,337							-3,080,480	-4,171,817
IV. Balance at the end of this term	2,075,335,560				1,260,702,197	4,653,971	5,843,473	888,850,230		3,576,949,573	320,276,015		8,132,611,019

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

Amount of the Current Term

Unit: RMB

Items	Amount of the Current Term										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained profit	Total of owners' equity
		Preferred share	Perpetual capital securities	Others							
I. Balance at the end of the previous	2,075,335,560				1,405,529,511				903,395,590	451,182,587	4,835,443,248
Plus: change of accounting policy											
Correction of errors in previous periods											
Others											
II. Balance at the beginning of current year	2,075,335,560				1,405,529,511				903,395,590	451,182,587	4,835,443,248
III. Amount of change in current term ("—" for decrease)					89,141,412					-274,911,079	-185,769,667
(I) Total amount of the comprehensive income										-67,377,523	-67,377,523
(II) Capital paid in and reduced by owners					89,141,412						89,141,412
1. Common shares invested by the shareholders											
2. Capital invested by the owners of other equity instruments											

3. Amounts of share-based payments recognized in owners' equity											
4. Others					89,141,412						89,141,412
(III) Profit distribution										-207,533,556	-207,533,556
1. Appropriations to surplus reserves											
2. Appropriations to general risk										-207,533,556	-207,533,556
3. Others											
(IV) Internal carry-forward of owners' equity											
1. New increase of capital (or share capital ) from capital public reserves											
2. New increase of capital (or share capital) from surplus reserves											
3. Surplus reserves for making up losses											
4. Others											
(V) Specific reserve											
1. Withdrawn for the period											
2. Used in the period											
(VI) Others											
IV. Balance at the end of this term	2,075,335,560				1,494,670,923				903,395,590	176,271,508	4,649,673,581

Amount of Last Year

Unit: RMB

Items	Amount of the same period of last year										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained profit	Total of owners' equity
		Preferred share	Perpetual capital securities	Others							
I. Balance at the end of the previous	2,075,335,560				1,404,803,407				873,667,690	806,232,151	5,160,038,808
Plus: change of accounting policy											
Correction of errors in previous periods											
Others											
II. Balance at the beginning of current year	2,075,335,560				1,404,803,407				873,667,690	806,232,151	5,160,038,808
III. Amount of change in current term (“-“ for decrease)					726,104				29,727,900	-355,049,564	-324,595,560
(I) Total amount of the comprehensive income										297,279,004	297,279,004
(II) Capital paid in and reduced by owners											
1. Common shares invested by the shareholders											
2. Capital invested by the owners of other equity instruments											

3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution									29,727,900	-652,328,568	-622,600,668	
1. Appropriations to surplus reserves									29,727,900	-29,727,900		
2. Appropriations to general risk										-622,600,668	-622,600,668	
3. Others												
(IV) Internal carry-forward of owners' equity												
1. New increase of capital (or share capital ) from capital public reserves												
2. New increase of capital (or share capital) from surplus reserves												
3. Surplus reserves for making up losses												
4. Others												
(V) Specific reserve												
1. Withdrawn for the period												
2. Used in the period												
(VI) Others						726,104						726,104
IV. Balance at the end of this term	2,075,335,560					1,405,529,511				903,395,590	451,182,587	4,835,443,248

### III. Basic Information of the Company

CSG Holding Co Ltd (the “Company”) was incorporated in September 1984, known as China South Glass Company, as a joint venture enterprise by Hong Kong China Merchants Shipping Co., LTD (香港招商局轮船股份有限公司), Shenzhen Building Materials Industry Corporation (深圳建筑材料工业集团公司), China North Industries Corporation (中国北方工业深圳公司) and Guangdong International Trust and Investment Corporation (广东国际信托投资公司). The Company was registered in Shenzhen, Guangdong Province of the People's Republic of China and its headquarter locates in Guangdong Province of the People's Republic of China. The Company issued RMB-dominated ordinary shares and foreign shares publicly in October 1991 and January 1992 respectively, and listed on Shenzhen Stock Exchange on February 1992. On 31 December 2015, the registered capital was RMB 2,075,335,560, with nominal value of RMB1 per share.

The Company and its subsidiaries (collectively referred to as the “Group”) are mainly engaged in the manufacture and sales of glass and energy materials with glass as the medium, the manufacture and sales of polysilicon and solar module, the construction and operation of photovoltaic plant and the manufacture and sales of electronic glass and display.

The financial statements were authorised for issue by the board of directors on 22 August 2017.

Details of major subsidiaries that were included in the financial statements in the period please refer to the Note. The new subsidiary included in the consolidation scope in the period was Zhijiang CSG PV New Energy Co., Ltd. (hereinafter referred to as “Zhijiang PV Company”).

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

#### 1. Basis of the preparation

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

#### 2. Going concern

As at 30 June 2017, the Group had net current liabilities of about RMB 3.385 billion and committed capital expenditure of RMB 390 million. The directors of the Company have made an assessment that the Group has continued for many years and is expected to continue to generate sufficient cash flow from operating activities over the next 12 months. As at 30 June 2017, the net cash inflow from operation activities was approximately RMB 1.02 billion. The Group has maintained good relationship with banks so the Group has been able to successfully get adequate financing credit; As at 30 June 2017, the Group had unutilised internal banking facilities of approximately RMB 3.9 billion, In addition, the major shareholder of the Group is willing to provide the Group with interest-free loans of RMB 2 billion for the Group or through its designated parties. As of the date of this report, the shareholder has provided RMB 1.35 billion of interest-free loans. In addition, the Group also has other available financing channels, such as short-term financing bills, ultra-short –term financing notes, and medium term notes. The directors are of view that the above banking facilities and the support from the shareholder can meet the funding requirements of the Group’s debt servicing and capital commitment. Accordingly, the directors of the Company had adopted the going concern basis in the preparation of this financial statement of the Company and the Group.

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

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

The financial statements of the Company for the first half year of 2017 truly and completely present the financial position as of 30 June 2017 and the operating results, cash flows and other information for the first half year of 2017 of the Group and the Company in compliance with the Accounting Standards for Business Enterprises.

### **2. Accounting period**

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

### **3. Operating cycle**

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

### **4. Recording currency**

The recording currency is Renminbi (RMB).

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

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

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

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

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

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

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

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

For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

When preparing the consolidated financial statements, if the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' equity and the portion of a subsidiaries' net profits and losses and comprehensive incomes for the period not attributable to Company are recognised as minority interests and presented separately in the consolidated financial statements under equity, net profits and total comprehensive income respectively. Unrealized profits and losses resulting from the sale of assets by the Company to the subsidiary fully eliminate the net profits attributable to equity holders of the parent; unrealized profits and losses resulting from the sale of assets by the subsidiary to the Company are eliminated and allocated between net profit attributable to owners of the parent and minority interests in accordance with the allocation proportion of the Company in the subsidiary. Unrealized profits and losses resulting from the sale of assets by one subsidiary to another are eliminated and allocated between net profit attributable to owners of the parent and minority interests in accordance with the allocation proportion of the parent in the subsidiary.

If the accounting treatment of a transaction which considers the Group as an accounting entity is different from that considers the Company or its subsidiaries as an accounting entity, it is adjusted from the perspective of the Group.

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

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

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

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

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

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

### **(b) Translation of foreign currency financial statements**

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet

date. Among the owners' equity items, the items other than "undistributed profits" are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statements of overseas operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are presented separately in the owners' equity. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

## 9. Financial instruments

### (a) Financial assets

#### (i) Classifications of financial assets

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

#### Receivables

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

#### Available-for-sale financial assets

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

#### (ii) Recognition and measurement

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

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

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

#### (iii) Impairment of financial assets

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

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

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

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

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

#### (iv) Derecognition of financial assets

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

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognised directly in owner's equity, is recognised in profit or loss.

#### (b) Financial liabilities

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

Changes in fair value of financial liabilities at fair value through profit or loss are recognized in the income statement.

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

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

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

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

### (c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. During valuation, the Group adopts a valuation technique suitable for current situation, which is supported by sufficient available data and other information, chooses the inputs consistent with the feature of assets or liabilities considered in the transaction thereof with market participants, and uses related observable inputs in preference to the greatest extent. Unobservable inputs are used when it is unable to obtain or is infeasible for related observable inputs.

## 10. Recognition standard impairment and receivables

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

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

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

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

Accounts on aging analysis basis in the portfolio:

Applicable Non-applicable

Accounts on percentage basis in the portfolio:

Applicable Non-applicable

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

Accounts on other basis in the portfolio:

Applicable Non-applicable

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

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

## 11. Inventories

### (a)Classification

Inventories refer to manufacturing sector, including raw materials, work in progress, finished goods and turnover materials, and are measured at the lower of cost and net realisable value.

### (b)Inventory costing method

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labour and systematically allocated production overhead based on the normal production capacity.

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

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

### (d)The determination of net realisable value and the method of provision for impairment of inventories

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes.

### (e)The Group adopts the perpetual inventory system.

## 12. Classified as assets held for sale

A non-current asset or a disposal group is classified as held for sale when all of the following conditions are satisfied: (1) the non-current

asset or the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such non-current asset or disposal group; (2) the group has signed with other parties legally binding sale agreement and approval has been obtained, is expected to the sale will be completed within one year.

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

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

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

Earnings from discontinued operations stated in the income statement include operating profit and loss and disposal gains and losses.

### 13. Long-term equity investments

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

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

Investments in subsidiaries are measured using the cost method in the Company's financial statements, and adjusted by using the equity method when preparing the consolidated financial statements. Investments in associates are accounted for using the equity method. Long-term equity investments where the Group does not have control, joint control or significant influence over the investees, and which are not quoted in an active market and whose fair value cannot be reliably measured are measured using the cost method.

#### a. Initial recognition

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

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

#### b. Subsequent measurement and recognition method of profit or loss

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

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

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

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

The term "control" refers to the power in the investees, to obtain variable returns by participating in the related business activities of the investees, and the ability to affect the returns by exercising its power over the investees.

The term "significant influence" refers to the power to participate in the formulation of financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties.

#### d. Impairment of long-term equity investments

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

## 14. Fixed assets

### (1) Recognition and initial measurement

Fixed assets comprise buildings, machinery and equipment, motor vehicles and others. Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or

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

## (2) Depreciation

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

## 15. Construction in progress

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

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

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

## 16. Borrowing costs

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

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

For the general borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalisation, the amount of

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

## **17. Intangible assets**

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

Intangible assets including land use rights and, patents and exploitation rights, intangible assets are measured at cost.

#### **(a) Land use rights**

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

#### **(b) Patents**

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

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

Exploitation rights are amortized on a straight-line basis over permitted exploitation periods of 10 years set out on the exploitation certificate.

#### **(d) Periodical review of useful life and amortisation method**

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

(e) If the recoverable amount of intangible asset is less than its carrying value, the carrying value is deducted to recoverable amount.

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

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

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

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

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

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

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

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

## 18. Impairment of long-term assets

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

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

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

## 19. Long-term prepaid expenses

Long-term prepaid expenses include the expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

## 20. Employee benefits

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

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences. The employee benefit liabilities are recognised in the accounting period in which the service

is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Employee benefits which are non-monetary benefits shall be measured at fair value.

#### (2) Post-employment benefits accounting method

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

#### Basic pensions

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

#### (3) Termination benefits accounting method

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

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

## 21. Provisions

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

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

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

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

## 22. Revenue recognition

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

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

### (a) Sale of goods

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

### (b) Rendering of services

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

### (c) Transfer of asset use rights

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

## 23. Government grants

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

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

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

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

Government grants related to the assets are offset against the carrying amount of the underlying assets or recognized as deferred income and are accounted for in profit or loss in a reasonable and systematic manner within the useful life of the relevant assets.

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

Government grants related to income which are used to compensate for the related costs or losses during the subsequent period are

recognized as deferred income and are recognized in the current profit or loss or related expenses for the period of recognition of the relevant cost expense or loss. The relevant expenses or losses incurred, directly included in the current profits and losses or offset the relevant costs. Similar government grants use the same presentation. Government grants related to daily activities are incorporated into operating profit, while those unrelated to daily activities are incorporated into non - operating income and expenditure.

## **25. Deferred tax assets and deferred tax liabilities**

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

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

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

Deferred tax assets and liabilities are offset when:

- deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same the same taxation authority on the same taxpayer in the group;
- that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

## **25. Leases**

### **(1) Accounting method of operating lease**

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

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

### **(2) Accounting method of financing lease**

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

a lease other than financing lease.

## 26. Other significant accounting policies and accounting estimates

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

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

### (a)Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### (b)Deferred income tax

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

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

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

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

### (d)The useful life of fixed assets

The management estimates the useful life of fixed assets, based on historical experiences on using fixed assets that have similar properties and functions. When there are differences between actually useful life and previously estimation, the management will adjust estimation to useful life of fixed assets. The fixed assets would be written off or written down when fixed assets been disposed or became redundant. There will be difference between the results of estimation and actual results for next accounting period, so significant adjustments may be made to the carrying amount of fixed assets in balance sheet.

## (e) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of asset groups and groups of asset groups is the present value of the future cash flows expected to be derived from them. These calculations require use of estimates (Note 4 (12)).

If management revises the gross margin that is used in the calculation of the future cash flows of asset groups and groups of asset groups, and the revised gross margin is lower than the one currently used, the Group would need to recognise further impairment against goodwill.

If management revises the pre-tax discount rate applied to the discounted cash flows, and the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognise further impairment against goodwill.

If the actual gross margin/pre-tax discount rate is higher/lower than management's estimates, the impairment loss of goodwill previously provided for is not allowed to be reversed by the Group

**27. Changes in significant accounting policies and accounting estimates****(1) Changes in significant accounting policies**

Applicable  Not applicable

The content and reasons of accounting policy changes	Approval procedure	Remarks
The Ministry of Finance promulgated the revised <i>Accounting Standard for Business Enterprises No. 16 - Government Grants</i> on May 10, 2017. The Company has adopted the above guidelines to prepare the semi-annual financial statements for 2017.	Board of directors	No influence

The Ministry of Finance promulgated the revised Accounting Standard for Business Enterprises No. 16 - Government Grants on May 10, 2017. The Company has adopted the above guidelines to prepare the semi-annual financial statements for 2017. It had no effect on the Group's consolidated balance sheet and the Company's balance sheet as at 31 December 2016 and the consolidation and the Company's income statement for the six months ended 30 June 2016.

**(2) Changes in significant accounting estimates**

Applicable  Not applicable

**28. Others**

## Safety production costs

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

(a) 4% for revenue below RMB10 million (inclusive) of the year;

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

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

#### Segment information

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

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

## VI. Taxation

### 1. The main categories and rates of taxes

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

### 2. Tax incentives

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

Tianjin Energy Conservation Glass Co., Ltd. ("Tianjin Energy Conservation") passed review on a high and new tech enterprise in 2015 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2015.

Dongguan CSG Architectural Glass Co., Ltd. (“Dongguan CSG”) passed review on a high and new tech enterprise in 2016 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 2016.

Wujiang CSG North-east Architectural Glass Co., Ltd. (“Wujiang CSG”) passed review on a high and new tech enterprise in 2014 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2014. It is on a review of high and new tech enterprise at present, and temporarily applies to 15% income tax rate for the period.

Dongguan CSG Solar Glass Co., Ltd. (“Dongguan CSG Solar”) passed review on a high and new tech enterprise in 2014 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2014. It is on a review of high and new tech enterprise at present, and temporarily applies to 15% income tax rate for the period.

Yichang CSG Silicon Co., Ltd. (“Yichang CSG Silicon”) passed review on a high and new tech enterprise in 2014 and obtained the Certificate of High and New Tech Enterprise, the period of validity is three years. It applies to 15% tax rate for three years since 2014. It is on a review of high and new tech enterprise at present, and temporarily applies to 15% income tax rate for the period.

Dongguan CSG PV-tech Co., Ltd. (“Dongguan CSG PV-tech”) passed review on a high and new tech enterprise in 2016 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 2016.

Hebei Shichuang Glass Co., Ltd. (“Hebei Shichuang”) passed review on a high and new tech enterprise in 2016 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 2016.

Wujiang CSG Glass Co., Ltd. (“Wujiang CSG”) was recognised as a high and new tech enterprise in 2014, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2014. It is on a review of high and new tech enterprise at present, and temporarily applies to 15% income tax rate for the period.

Xianning CSG Glass Co Ltd. (“Xianning CSG”) was recognised as a high and new tech enterprise in 2014, and obtained the Certificate of High and New Tech Enterprise, and the period of validity was three years. It applies to 15% tax rate for three years since 2014. It is on a review of high and new tech enterprise at present, and temporarily applies to 15% income tax rate for the period.

Xianning CSG Energy-Saving Glass Co., Ltd. (“Xianning CSG Energy-Saving”) was recognised as a high and new tech enterprise in 2015, 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 2015.

Yichang CSG Photoelectric Glass Co., Ltd. (“Yichang CSG Photoelectric”) was recognised as a high and new tech enterprise in 2015, 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 2015.

Shenzhen CSG Display was recognised as a high and new tech enterprise in 2015, 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 2015.

Yichang CSG Display Co., Ltd (“Yichang CSG Display”) was recognised as a high and new tech enterprise in 2016, 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

2016.

Qingyuan CSG New Energy-Saving Materials Co., Ltd. (“Qingyuan CSG Energy-Saving”) was recognised as a high and new tech enterprise in 2016, 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 2016.

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 the period.

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 the period.

Qingyuan CSG New Energy Co., Ltd. (“Qingyuan CSG New Energy”), Suzhou CSG PV Energy Co., Ltd. (“Suzhou CSG PV Energy”), Jiangsu Wujiang CSG New Energy Co., Ltd. (“Wujiang CSG New Energy”), and Yichang CSG New Energy Co., Ltd. (“Yichang CSG New 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. Qingyuan CSG New Energy, Suzhou CSG PV Energy and Wujiang CSG New Energy started to carry out operations in 2015, while Yichang CSG New Energy started operation in 2016. The applicable enterprise income tax rate for them is 0% for the period.

In addition, pursuant to the document Fogang Guo Shui Shui Tong [2015] No. 2489, the VAT for photovoltaic power generation of Qingyuan CSG New Energy is subject to the refund upon collection policy.

### 3. Others

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

## VII. Notes to the consolidated financial statements

### 1. Cash at bank and on hand

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Cash on hand	27,530	17,239
Cash at bank	932,022,992	584,549,751
Other cash balances	2,184,679	2,236,515
Total	934,235,201	586,803,505
Including: Total overseas deposit	19,394,575	12,956,226

Other cash balances include margin deposits for the application of opening letter of credit and loan from the bank, amounting to RMB 2,184,679 (31 Dec. 2016: RMB 2,236,515), which is restricted cash.

## 2. Notes receivable

### (1) Notes receivable listed by classification

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Bank acceptance notes	248,524,397	138,557,412
Trade acceptance notes	288,032,806	317,789,825
Total	536,557,203	456,347,237

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

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank acceptance notes	1,647,228,930	
Trade acceptance notes		181,790,787
Total	1,647,228,930	181,790,787

## 3. Accounts receivable

### (1) Accounts receivable disclosed by category

Unit: RMB

Categories	End of term					Beginning of term				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	684,955,960	98%	13,168,976	2%	671,786,984	631,863,585	98%	12,187,534	2%	619,676,051
Account receivable with minor individual amount but bad	12,404,070	2%	4,247,139	34%	8,156,931	12,590,789	2%	4,280,857	34%	8,309,932

debt provision is provided										
Total	697,360,030	100%	17,416,115	2%	679,943,915	644,454,374	100%	16,468,391	3%	627,985,983

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

Applicable  Non-applicable

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

Applicable  Non-applicable

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

Applicable  Non-applicable

Unit: RMB

Name of portfolio	Closing balance		
	Accounts receivable	Bad debt provision	Proportion %
Portfolio 1	684,955,960	13,168,976	2%
Portfolio 2			
Total	684,955,960	13,168,976	2%

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

The withdrawal amount of the bad debt provision during the report period was of RMB 5,374,252. The amount of the reversed or collected part during the report period was of RMB 4,358,997.

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

Unit: RMB

Item	Write-off amount
Accounts receivable	67,531

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

As at 30 June 2017, the top 5 of the closing balance of the accounts receivable collected according to the arrears party were collected and analyzed as follows:

	Balance	Provision for bad debts	Percentage in total accounts receivable balance
Total balances for the five largest accounts receivable	169,168,209	(3,383,364)	24%

#### 4. Advances to suppliers

##### (1) Listed by aging analysis

Unit: RMB

Age	Closing balance		Opening balance	
	Amount	Proportion ratio (%)	Amount	Proportion ratio (%)
within 1 year	148,306,533	91%	80,819,387	84%
1-2 years	13,940,844	9%	14,913,745	16%
Total	162,247,377	--	95,733,132	--

As at 30 June 2017, advances to suppliers ageing over one year amount to RMB13,940,844 (31 December 2016: RMB14,913,745). They were mainly the advances of materials, and the payment had not been selected because the materials had not been received.

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

As at 30 June 2017, the top five largest advances to supplies are set out as below:

	Balance	Percentage in total advances balance
Total advances for the five largest advances	58,816,501	36%

#### 5. Other account receivable

##### (1) Other accounts receivable disclosed by category:

Unit: RMB

Categories	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	34,326,598	100%	767,508	2%	33,559,090	33,903,217	100%	674,068	2%	33,229,149
Total	34,326,598	100%	767,508	2%	33,559,090	33,903,217	100%	674,068	2%	33,229,149

Statement on categories of other receivable accounts:

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

Applicable  Non-applicable

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

Applicable  Non-applicable

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

Applicable  Non-applicable

Unit: RMB

Name of portfolio	Closing balance		
	Other receivable accounts	Bad debt provision	proportion%
portfolio 1	34,326,598	767,508	2%
Total	34,326,598	767,508	2%

Explanation for determining the basis of the portfolio:

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

Applicable  Non-applicable

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

The withdrawal amount of the bad debt provision during the report period was of RMB127,208. The amount of the reversed or collected part during the report period was of RMB 33,768.

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

Unit: RMB

Nature	Closing balance	Opening balance
Refundable deposits	6,953,820	6,121,403
Payments made on behalf of other parties	23,225,811	25,019,422
Petty cash	1,389,488	959,785
Export tax rebates receivable	805,438	755,372
Others	1,952,041	1,047,235
Total	34,326,598	33,903,217

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

Unit: RMB

Name of the companies	Nature	Closing balance	Ages	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
Industrial					
Government agency	Independent third	11,067,754	1 to 3 years	32%	221,355

A	party					
Company B	Independent third party	4,268,347	W Within 1 year	12%	85,367	
Company C	Independent third party	3,183,029	Within 1 year	9%	63,661	
Company D	Independent third party	1,900,000	Within 1 year	6%	38,000	
Government agency E	Independent third party	1,196,150	Within 1 year	3%	23,923	
Total	--	21,615,280	--	62%	432,306	

## 6. Inventories

### (1) Categories of inventory

Unit: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Raw materials	254,363,351	1,480,641	252,882,710	166,639,254	2,025,446	164,613,808
Product in process	20,325,740		20,325,740	18,893,651		18,893,651
Products in stock	330,050,877	3,147,241	326,903,636	274,559,889	6,347,741	268,212,148
Material in circulation	30,481,690		30,481,690	26,061,318		26,061,318
Total	635,221,658	4,627,882	630,593,776	486,154,112	8,373,187	477,780,925

### (2) Inventory impairment provision

Unit: RMB

Categories	Opening balance	Increased this term		Decreased this term		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	2,025,446			544,805		1,480,641
Products in stock	6,347,741			3,200,500		3,147,241
Total	8,373,187			3,745,305		4,627,882

Details of inventory impairment provision as following:

Basis for provision for decline in the value of inventories

Reasons of reversal of the decline in the value of inventories in the period

Finished goods	The amount of carrying amount less net realisable value due to decline in price of products	Sold
Raw materials	The amount of book value less net realisable value due to sluggish or damaged raw materials	Used

## 7. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
VAT to be offset	186,548,195	150,317,894
Asstes held for sale	40,049,163	40,049,163
Enterprise income tax prepaid	1,590,919	1,325,723
VAT input to be recognised	21,181,042	8,212,797
Total	249,369,319	199,905,577

## 8. Fixed assets

### (1) Particulars of fixed assets

Unit: RMB

Items	Buildings	Machinery and equipment	Motor vehicles and others	Total
I. Original book value:				
1. Opening balance	3,911,336,527	11,699,296,248	201,923,067	15,812,555,842
2. Increased amount of the period				
(1) Acquisition	1,007,850	7,963,289	2,988,342	11,959,481
(2) Transfers from construction in progress	70,349,000	851,590,771	1,185,606	923,125,377
(3) Increase from enterprise combination				
(4) Others	731,040	1,858,203	472,773	3,062,016
3. Decreased amount of the period				
(1) Disposal or retirement		495,370	2,576,058	3,071,428
(2) Others	3,695,395	282,254,513		285,949,908
4. Closing balance	3,979,729,022	12,277,958,628	203,993,730	16,461,681,380
II. Accumulative depreciation and accumulative amortization				

1. Opening balance	629,946,237	3,287,606,208	172,265,020	4,089,817,465
2. Increased amount of the period				
(1) Withdrawal	61,506,196	408,580,685	11,232,619	481,319,500
3. Decreased amount of the period				
(1) Disposal or retirement		378,003	2,461,513	2,839,516
(2) Transferred to construction in progress	1,895,250	138,978,164		140,873,414
4. Closing balance	689,557,183	3,556,830,726	181,036,126	4,427,424,035
III. Depreciation reserves				
1. Opening balance		264,765,386		264,765,386
2. Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal or retirement				
(2) Others		4,010,176		4,010,176
4. Closing balance		260,755,210		260,755,210
IV. Book value				
1. Closing book value	3,290,171,839	8,460,372,692	22,957,604	11,773,502,135
2. Opening book value	3,281,390,290	8,146,924,654	29,658,047	11,457,972,991

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

Unit: RMB

Items	Book value	Reason for not granted
Buildings	910,163,588	Have submitted the required documents and are in the process of application, or the related land use right certificate pending

During January to June 2017, the depreciation amount provided for fixed assets was RMB 481,319,500 (January to June 2016: RMB 421,993,622), and the amount of depreciation expenses charged to cost of sales, selling and distribution expenses, general and administrative expenses and construction in progress was RMB 448,195,663, RMB 482,108, RMB 31,885,617, and RMB 756,112 (January to June 2016: RMB 385,642,218, RMB 506,576, RMB 26,989,222, RMB 8,855,606), respectively.

During January to June 2017, the cost of fixed assets transferred from construction in progress amounted to RMB 923,125,377 (January to June 2016: RMB 901,652,337).

## 9. Construction in process

### (1) Particulars of construction in process

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Yichang 1GW silicon slice project	346,209,311		346,209,311	95,011,027		95,011,027
Yichang CSG Display panel display project	305,291,976	18,170,650	287,121,326	274,342,571	14,160,474	260,182,097
Xianning CSG Photoelectric Glass project	221,147,847		221,147,847	41,267,876		41,267,876
Hebei float 600T tech-innovation project	120,324,473		120,324,473			
Zhanjiang PV PV power station project	53,766,946		53,766,946	8,855,560		8,855,560
Wujiang float glass project	70,357,072	19,876,460	50,480,612	70,178,986	19,876,460	50,302,526
Dongguan Solar Glass Phase I and II improvement project	78,970,995	33,075,116	45,895,879	78,970,995	33,075,116	45,895,879
Sichuan energy-saving project Phase III	10,493,107		10,493,107	13,005,928		13,005,928
Dongguan PV 250MW module capacity expansion project	10,141,901		10,141,901			
Dongguan PV 100MW cell production capacity expansion project	8,343,263		8,343,263			
Yichang 700MW silicon slice expansion project	2,018,255		2,018,255	1,775,641		1,775,641
Wujiang Photovoltaic Packaging Materials Project	1,693,809		1,693,809	1,583,553		1,583,553
Xianning energy-saving glass project	1,354,508		1,354,508	1,083,430		1,083,430
Dongguan PV Tech	1,146,672		1,146,672	8,224,072		8,224,072

200MW PV-tech Battery Expansion project						
Yichang 5000T electronic-grade polysilicon project				171,211,288		171,211,288
Chengdu float 550T line tech-renovation				102,304,740		102,304,740
Hebei float 900T tech-innovation project				388,627,081		388,627,081
Heyuan PV tech 11MV distributed generation project				85,126,446		85,126,446
others	99,287,462		99,287,462	87,639,233		87,639,233
<b>Total</b>	<b>1,330,547,597</b>	<b>71,122,226</b>	<b>1,259,425,371</b>	<b>1,429,208,427</b>	<b>67,112,050</b>	<b>1,362,096,377</b>

## (2) Movement of significant project

Unit: RMB

Projects	Budget	Opening balance	Increased this term	Transferred into fixed assets	Other decreases	Closing balance	Investment on budget (%)	Progress	Accumulate of interest capitalized	Including: interest capitalized this term	Capitalizing rate of interest this period %	Fund recourse
Yichang 1GW silicon slice project	1,073,209,600	95,011,027	251,392,592	194,308		346,209,311	48.00%	65.00%	3,371,909	2,825,684	4.41%	Internal fund and bank loan
Yichang CSG Display panel display project	1,970,000,000	274,342,571	54,407,827	23,194,679	263,743	305,291,976	55.00%	65.00%	2,691,886	1,694,243	4.11%	Internal fund and bank loan
Xianning CSG Photoelectric Glass project	510,000,000	41,267,876	180,424,957	544,986		221,147,847	54.00%	70.00%	3,030,956	3,030,956	4.75%	Internal fund and bank loan
Hebei float 600T tech-innovation project	181,250,000		120,324,473			120,324,473	2.00%	2.00%				Internal fund and bank loan
Zhanjiang PV PV power station project	130,000,000	8,855,560	44,911,386			53,766,946	40.00%	45.00%	918,139	139,762	4.57%	Internal fund and bank loan
Wujiang float glass project	919,891,000	70,178,986	431,588	253,502		70,357,072	100.00%	100.00%	20,120,444			Internal fund and bank loan
Dongguan Solar Glass Phase I and II improvement	396,410,000	78,970,995				78,970,995	80.00%	80.00%				Internal fund

project												
Sichuan energy-saving project Phase III	222,817,517	13,005,928			2,512,821	10,493,107	99.00%	99.00%				Internal fund
Dongguan PV 250MW module capacity expansion project	28,000,000		10,329,122	187,221		10,141,901	36.00%	50.00%	45,374	45,374	4.80%	Internal fund and bank loan
Dongguan PV 100MW cell production capacity expansion project	15,000,000		8,343,263			8,343,263	56.00%	70.00%	37,327	37,327	4.80%	Internal fund and bank loan
Yichang 700MW silicon slice expansion project	697,000,000	8,224,072		7,077,400		1,146,672	100.00%	100.00%	32,015,800			Internal fund and bank loan
Wujiang Photovoltaic Packaging Materials Project	1,980,000,000	1,775,641	242,614			2,018,255	76.00%	100.00%	17,594,454		4.41%	Internal fund and bank loan
Xianning energy-saving glass project	565,119,318	1,583,553	137,080	26,824		1,693,809	95.00%	100.00%	6,321,397			Internal fund and bank loan
Dongguan PV Tech 200MW PV-tech Battery Expansion project	295,270,606	1,083,430	373,576	68,594	33,904	1,354,508	99.00%	100.00%	11,306,278			Internal fund and bank loan
Yichang 5000T electronic-grade	698,396,700	171,211,288	46,327,655	216,595,546		943,397	30.00%	35.00%	7,177,033	3,967,498	4.41%	Internal fund and bank loan

polysilicon project												
Chengdu float 550T line tech-renovation	200,000,000	102,304,740	57,219,831	159,524,571			92.00%	100.00%				Internal fund
Hebei float 900T tech-innovation project	124,000,000	388,627,081	4,503,619	393,130,700			100.00%	100.00%	4,211,893	1,057,593	4.94%	Internal fund and bank loan
Heyuan PV tech 11MV distributed generation project	91,610,000	85,126,446	1,021,587	86,141,345	1,834	4,854	94.00%	100.00%	325,704	325,704	5.00%	Internal fund and bank loan
others	1,046,953,400	87,639,233	46,885,679	36,185,701		98,339,211			67,530,341	910,042		Internal fund and bank loan
Total	11,144,928,141	1,429,208,427	827,276,849	923,125,377	2,812,302	1,330,547,597	--	--	176,698,935	14,034,183		--

## 10. Intangible assets

### (1) Particulars of intangible assets

Unit: RMB

Item	Land use rights	Patents	Mineral rights	Others	Total
I. Original book value:					
1. Opening balance	1,026,603,700	199,922,986	4,456,536	23,548,047	1,254,531,269
2. Increased amount of the period					
(1) Acquisition		2,856,020		13,539	2,869,559
(2) Internal R &D		6,097,439			6,097,439
(3) Increase from enterprise combination					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	1,026,603,700	208,876,445	4,456,536	23,561,586	1,263,498,267
II. Total accrued amortization					
1. Opening balance	128,007,677	57,225,743	3,306,083	20,322,309	208,861,812
2. Increased amount of the period					
(1) Withdrawal	9,813,201	7,601,215	200,321	2,141,791	19,756,528
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	137,820,878	64,826,958	3,506,404	22,464,100	228,618,340
III. Impairment provision					
1. Opening balance		13,201,347		9,133	13,210,480
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance		13,201,347		9,133	13,210,480

IV. Book value					
1. Closing book value	888,782,822	130,848,140	950,132	1,088,353	1,021,669,447
2. Opening book value	898,596,023	129,495,896	1,150,453	3,216,605	1,032,458,977

At the end of the period, the intangible assets arising from internal research and development accounted for 10.20% of total of intangible assets.

## (2) Land use right not licensed yet

Unit: RMB

Item	Book value	Reason for not granted
Land	5,595,776	in the process

During Jan.-Jun. 2017, the amortisation of intangible assets amounted to RMB 19,756,528 (Jan.-Jun. 2016: RMB 16,315,423).

As at 30 June 2017, ownership certificates of land use right (“Land ownership Certificates”) for certain land use rights of the Group with carrying amounts of approximately RMB 5,595,776 (cost: RMB 6,586,712) had not yet been obtained by the Group (as at 31 December 2016, carrying amount: RMB 5,718,191, cost: RMB 6,586,712). The Company’s management is of the view that there is no legal restriction for the Group to apply for and obtain the Land Ownership Certificates and has no adverse effect on the Group’s business operation.

## 11. Development expenditure

Unit: RMB

Item	Opening balance	The increased amount in the period	The decrease amount in the period		Closing balance
			Recognised as intangible assets	Transfer in gains and losses	
Development expenditure	66,927,714	15,642,633	6,097,439	423,437	76,049,471
Total	66,927,714	15,642,633	6,097,439	423,437	76,049,471

During Jan.-Jun. 2017, the total amount of research and development expenditures of the Group was RMB 166,809,377 (Jan.-Jun. 2016: RMB 155,478,325), including RMB 151,590,181 (Jan.-Jun. 2016: RMB 127,759,895) recorded in income statement for current period and RMB 6,097,439 were recognized as intangible assets (Jan.-Jun. 2016: nil). As at 30 June 2017, the intangible assets arising from internal research and development accounted for 10.2% of the total of book value of intangible assets (31 December 2016: 9.51%).

## 12. Goodwill

### (1) Book value of goodwill

Unit: RMB

Name of the companies or goodwill item	Opening balance	Increased this term	Decreased this term	Closing balance
Tianjing CSG Energy-saving Company	3,039,946			3,039,946
Shenzhen Display Company	4,857,406			4,857,406
Xianning Fengwei Company	389,494,804			389,494,804
Total	397,392,156			397,392,156

The goodwill allocated to the asset groups and groups of asset groups from Tianjing CSG Energy-saving was summarised by operating segments as Architectural Glass segment. The goodwill allocated to the asset groups and groups of asset groups from Shenzhen CSG Display and Xianning CSG Photoelectric are summarised by operating segments as Electronic Glass and Display segment.

The Company's management considered that the goodwill was not impaired as at 30 June 2017.

The recoverable amount of asset groups is determined by net present value of estimated future cash flows which is determined according to the five-year budget approved by management. The cashflow exceed five years is forecasted by using growth rates not exceeding similar long-term average growth rates of each asset group's industry. The discount rates used are the pre-tax interest rates that are able to reflect the risks specific to the related asset groups.

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

Unit: RMB

Item	Opening balance	Increased this term	Amortized this term	Closing balance
Expenses to be amortized	975,660	9,496,897	779,455	9,693,102
Total	975,660	9,496,897	779,455	9,693,102

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

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

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for asset impairments	400,092,300	60,026,145	410,272,182	61,899,046
Deductible loss	137,896,780	22,522,859	164,790,392	28,883,903
Government grants	130,489,613	20,809,503	129,722,993	20,654,199
Accrued expenses	66,241,073	11,953,528	81,018,069	12,352,386
Depreciation of fixed	26,759,268	7,741,138	28,241,461	6,320,146

assets				
Total	761,479,034	123,053,173	814,045,097	130,109,680

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

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Depreciation of fixed assets	347,335,276	62,520,184	396,118,583	63,406,963
Total	347,335,276	62,520,184	396,118,583	63,406,963

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

Unit: RMB

Item	Off-set amount of deferred income tax assets and liabilities at the period-end	Closing balance of deferred income tax assets or liabilities after off-set	Off-set amount of deferred income tax assets and liabilities at the period-beginning	Opening balance of deferred income tax assets or liabilities after off-set
Deferred tax assets	38,355,963	84,697,210	33,657,826	96,451,854
Deferred tax liabilities	38,355,963	24,164,221	33,657,826	29,749,137

**(4) Details of unrecognised deferred income tax assets**

Unit: RMB

Item	Closing balance	Opening balance
Deductible losses	410,872,906	342,455,782
Total	410,872,906	342,455,782

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

Unit: RMB

Year	Closing balance	Opening balance	Note
2018 年	54,100,000	54,100,000	
2019 年	82,300,000	82,300,000	
2020 年	94,430,197	94,430,197	
2021 年	111,625,585	111,625,585	

2022 年	68,417,124		
Total	410,872,906	342,455,782	--

The deductible loss of the unrecognized deferred income tax assets is mainly attributable to the Company and some of the subsidiaries which have been closed. The management of the Company can not expect the Company and the subsidiaries to generate sufficient taxable income which can be used to deduct such deductible losses in the future. Therefore, deferred income tax assets are not recognized.

## 15. Other non-current assets

Unit: RMB

Item	Closing balance	Opening balance
Prepayment for equipment and software upgrading expenses	74,836,840	69,945,550
VAT input to be offset		10,718,843
Prepayment for lease of land use rights	6,510,000	6,510,000
Total	81,346,840	87,174,393

## 16. Short-term loans

### (1) Categories of short-term loans

Unit: RMB

Item	Closing balance	Opening balance
Guaranteed loan	709,694,000	367,618,369
Unsecured loan	1,690,000,000	1,650,251,293
Ultra-short-term finance bonds (iii)		2,000,000,000
Total	2,399,694,000	4,017,869,662

(i) On 17 May 2016, the Company issued the Phase II ultra-short-term financial bonds of RMB900,000,000 for 2016, with the maturity data of 13 February 2017 and annual rate of 4.18%. As at the reporting date, such short-term bonds had been repaid.

On 2 August 2016, the Company issued the Phase III ultra-short-term financial bonds of RMB600,000,000 for 2016, with the maturity data of 1 May 2017 and annual rate of 3.67%.

On 1 September 2016, the Company issued the Phase IV ultra-short-term financial bonds of RMB500,000,000 for 2016, with the maturity data of 2 June 2017 and annual rate of 3.50%.

(ii) As at 30 June 2017, the Company provided its subsidiaries with guarantee for the short-term borrowings of RMB 709,694,000 (31 December 2016: RMB 367,618,369), and the Company had no counter guarantee from minority shareholders of subsidiaries (31 December 2016: Nil).

(iii) As at 30 June 2017, the interest of short-term borrowings varied from 2.70% to 5.00% (31 December 2016: 2.70% to 4.79%).

**17. Notes payable**

Unit: RMB

Category	Closing balance	Opening balance
Bank acceptance notes	114,500,000	20,000,000
Total	114,500,000	20,000,000

**18. Accounts payable****(1)Particulars of accounts payable**

Unit: RMB

Item	Closing balance	Opening balance
Account payable for materials	833,168,302	747,769,987
Account payable for equipments	281,497,857	233,779,329
Account payable for constructions	171,181,012	100,246,462
Account payable for freight	57,741,846	40,916,380
Account payable for water and electricity	33,639,900	44,602,055
Others	5,271,561	2,555,157
Total	1,382,500,478	1,169,869,370

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

Unit: RMB

Item	Closing balance	Unpaid reason
Account payable for construction and equipments.	98,986,756	As the construction work had not passed the final acceptance test yet, the balance was not yet settled.
Total	98,986,756	--

As at 30 June 2017, the amount of accounts payable over 1 year was approximately RMB 98,986,756 (31 December 2016: RMB 140,385,720), which mainly comprised payables for construction and equipment. As the construction work had not passed the final acceptance test yet, the balance was not yet settled.

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

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers	201,549,137	142,330,979

Total	201,549,137	142,330,979
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## 20. Employee benefits payable

### (1) List of Employee benefits payable

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
I. Short-term employee benefits	193,166,719	598,752,219	618,819,592	173,099,346
II. Welfare after departure- defined contribution plans	205,520	53,146,283	53,264,828	86,975
Total	193,372,239	651,898,502	672,084,420	173,186,321

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

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
1. Wages and salaries, bonuses, allowances and subsidies	159,601,219	506,010,114	548,380,471	117,230,862
2. Social security contributions	50,331	23,386,459	23,369,781	67,009
Including: Medical insurance	31,340	20,305,292	20,282,053	54,579
Work injury insurance	12,677	2,271,511	2,275,803	8,385
Maternity insurance	6,314	809,656	811,925	4,045
3. Housing funds	2,603,791	26,571,506	26,290,058	2,885,239
4. Labour union funds and employee education funds	15,571,378	7,084,140	8,025,385	14,630,133
5. Management bonus for performance	15,340,000	35,700,000	12,753,897	38,286,103
Total	193,166,719	598,752,219	618,819,592	173,099,346

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

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
1. Basic pensions	192,780	51,126,025	51,239,954	78,851
2. Unemployment insurance	12,740	2,020,258	2,024,874	8,124

Total	205,520	53,146,283	53,264,828	86,975
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According to the decision of the fifth meeting of the seventh session of the board of directors held on 31 March 2015, the Board approved that it will appraise the management team based on quarterly net assets income rate and reward the management team by taking quarterly total net profit after tax as the base. The Group withheld management performance award of RMB 35,700,000 (Jan.-Jun. 2016: 43,750,000).

## 21. Tax payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added-tax payable	37,988,909	41,919,187
Corporate income tax payable	31,122,623	46,726,185
Individual income tax payable	3,956,884	3,755,374
Urban maintenance and construction tax	2,859,336	3,482,715
Property tax payable	4,223,103	10,998,756
Education surcharge payable	2,334,721	3,351,165
Others	5,475,695	5,359,234
Total	87,961,271	115,592,616

## 22. Interest payable

Unit: RMB

Item	Closing balance	Opening balance
Interest payable for long-term borrowings	716,363	4,800,133
Interest for corporate bonds	37,309,995	10,660,000
Interest payable for short-term borrowings	2,897,716	2,289,987
Interest for ultra-short-term financing bonds		32,854,763
Interest payable for medium-term notes	57,260,622	27,621,021
Total	98,184,696	78,225,904

## 23. Dividends payable

Unit: RMB

Item	Closing balance	Opening balance
Common stock dividend	207,533,556	
Total	207,533,556	

**24. Other account payable****(1) List of other account payable by nature**

Unit: RMB

Item	Closing balance	Opening balance
Interest-free borrowings	626,342,837	
Guarantee deposits received from construction contractors	64,868,546	69,156,801
Accrued cost of sales	40,511,663	47,671,047
Temporary collection of payment for land transfer	39,350,245	28,098,000
Industrial production scheduling funds	31,000,000	
Payable for contracted labour costs	16,551,623	17,467,346
Temporary receipts	13,218,776	14,022,924
Deposit for disabled	4,036,351	3,509,947
Others	8,943,846	8,395,385
<b>Total</b>	<b>844,823,887</b>	<b>188,321,450</b>

**24. Other account payable****(1) List of other account payable by nature**

Unit: RMB

Item	Closing balance	Opening balance
Guarantee deposits received from construction contractors	64,868,546	69,156,801
Accrued cost of sales	40,511,663	47,671,047
Temporary collection of payment for land transfer	39,350,245	28,098,000
Interest-free borrowings	681,000,000	
Payable for contracted labour costs	16,551,623	17,467,346
Temporary receipts	13,218,776	14,022,924
Deposit for disabled	4,036,351	3,509,947
Others	8,943,846	8,395,385
<b>Total</b>	<b>868,481,050</b>	<b>188,321,450</b>

**25. Non-current liabilities due within one year**

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowing due within 1 year		29,340,000
Bonds payable due within 1 year	1,000,000,000	1,000,000,000
Long-term accounts payable within one year	101,203,702	
Total	1,101,203,702	1,029,340,000

(i) According to the China Securities Regulatory Commission license [2010] No.1369 published by the China Securities Regulatory Commission, the Company issued the corporate bonds on 20 October 2010, with a par value of RMB2 billion. The Corporate Bonds include RMB1 billion that will mature in 5 years ("5 year Bonds") and another RMB1 billion that will mature in 7 years ("7 year Bonds"). The 7 year Bonds holders have a put option over the Company to repurchase at the end of the fifth year. The Corporate Bonds carries at fixed interest rate of 5.33% per year, with interest paid annually. The bonds are recognised at the actual amount of discount bonds, with the actual annual rate of 5.59%. 5-year bonds have been repaid on 19 October 2015, no 7-year bonds shall be resold by investors, and are matured on 19 October 2017.

(ii) As of June 30, 2017, the Company signed a sell and leaseback agreement with a third-party finance leasing company. As a result of the Company's failure to transfer the fixed asset-related risks, it constituted a mortgage loan. In which: the amount required to be repaid within one year was shown as non-current liabilities due within one year - long term payable due within one year".

**26. Other current liability**

Unit: RMB

Items	Closing balance	Opening balance
Others	300,000	300,000
Total	300,000	300,000

**27. Long-term borrowings****(1) Categories of long-term borrowings**

Unit: RMB

Items	Closing balance	Opening balance
Guaranteed loan	244,000,000	58,660,000
Unsecured loan	180,000,000	180,000,000
Medium-term notes	1,200,000,000	1,200,000,000
Total	1,624,000,000	1,438,660,000

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

The Company issued medium-term notes of RMB 1,200,000,000 on 14 July 2015 for the first time in 2015. The notes above matured

on 14 July 2020, with an annual interest rate of 4.94%.

As at 30 June 2017, the interest of long term borrowings varied from 4.51% to 4.94% (31 December 2016: 4.51% to 4.94%).

## 28. Long term payables

### (1) Long-term payables by nature of payment

Unit: RMB

Items	Closing balance	Opening balance
Interest-free loan	649,823,518	0
Mortgage loan	189,048,152	0
Total	838,871,670	0

On 22 November 2016, the Company received a letter from its shareholder, Jushenghua, stating that to support the Group's steady operation and development, Jushenghua, as the shareholder of the Company, would like to offer interest-free borrowings with the total amount of RMB 2,000,000,000 to the Company or through related parties designated by it. As of the date of this report, the shareholder has provided RMB 700,000,000 of interest-free loans (amortized cost of RMB 650,000,000).

## 29. Deferred revenue

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance	reason
Government grants	422,993,254	12,800,000	14,912,953	420,880,301	
Total	422,993,254	12,800,000	14,912,953	420,880,301	--

Government grants are analysed below:

Unit: RMB

Item in debt	Opening balance	Increase in current period	Included in non-business income	Other changes	Closing balance	Related to assets or income
Tianjin CSG Golden Sun Project (i)	57,092,011		1,687,446		55,404,565	Related to assets
Dongguan CSG Golden Sun Project (ii)	46,079,250		1,375,500		44,703,750	Related to assets
Hebei CSG Golden Sun Project (iii)	46,750,000		1,375,000		45,375,000	Related to assets
Xianning CSG Golden Sun Project (iv)	51,013,417		1,515,250		49,498,167	Related to assets
Infrastructure compensation for Wujiang CSG Glass	43,670,435		2,020,768		41,649,667	Related to assets

Co., Ltd (v)						
Qingyuan Energy-saving project (vi)	23,259,167		1,235,001		22,024,166	Related to assets
Yichang Silicon products project (vii)	24,609,375		1,406,250		23,203,125	Related to assets
Yichang CSG silicon slice auxiliary project (viii)	13,890,609		634,323		13,256,286	Related to assets
Sichuan energy-saving glass project (ix)	12,129,480		827,010		11,302,470	Related to assets
Group coating film experimental project (x)	9,035,040		754,380		8,280,660	Related to assets
Yichang expert silicon project (xi)	3,906,547		132,876		3,773,671	Related to assets
Yichang semiconductor silicon project (xi)	3,666,667		133,334		3,533,333	Related to assets
Shenzhen CSG Display project (xiii)	53,371,082		1,267,239		52,103,843	Related to assets
Xianning photoelectric infrastructure construction fund (xiv)		7,800,000			7,800,000	Related to assets
Others	34,520,174	5,000,000	462,588	85,988	38,971,598	Related to assets and income
<b>Total</b>	<b>422,993,254</b>	<b>12,800,000</b>	<b>14,826,965</b>	<b>85,988</b>	<b>420,880,301</b>	<b>--</b>

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

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

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

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

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

(vi)The allowance was a pilot project for strategic emerging industry clusters development, which was used to establish high performance ultra-thin electronic glass production lines by Qingyuan CSG. The allowance will be credited to income statement in 10 years, the useful life of the production line.

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

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

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

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

(xi) It represented the funds granted by Hubei local government for import discount complement and international corporation special subsidy. The grant will be amortised and credited to income statement by 12 and 14 years

(xii) It represented the special subsidy of Yichang National Regional Strategic Emerging Industry Development Pilot Project II, which is used to complement Yichang CSG Silicon “Hubei semiconductor silicon preparative technique project laboratory”. The grant will be amortised and credited to income statement by 15 years

(xiii)It represented the business combinations involving enterprises not under common control and the increase in deferred income arising from incorporating the deferred income of Shenzhen CSG Display into the consolidated scope.

(xiv) It represented the funds granted by Department of Hubei Xianning High-tech Industrial Park Administrative Committee for infrastructure construction which will be amortised by 10 years according to the useful life of the production line.

### 30. Share Capital

Unit: RMB

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

shares							
--------	--	--	--	--	--	--	--

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

### 31. Capital surplus

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
Capital premium	1,345,264,670			1,345,264,670
Other capital surplus	-84,562,473	89,251,780		4,689,307
Total	1,260,702,197	89,251,780		1,349,953,977

Other capital reserve increased was mainly attributable to the interest-free loans provided by the shareholder, Shenzhen Jushenghua Co., Ltd. to the Company. Capital reserve increased of RMB 89,141,412 when interest of the loans was calculated on equity transactions.

### 32. Other comprehensive income

Unit: RMB

Item	Opening balance	Occuring in current period					Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: income tax expense	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
II. Other comprehensive income reclassified into profit and loss in future	4,653,971	-1,076,264			-1,076,264		3,577,707
Differences on translation of foreign currency financial statements	2,103,971	-1,076,264			-1,076,264		1,027,707
Finance incentives for energy and technical transformation	2,550,000						2,550,000
Total of other comprehensive income	4,653,971	-1,076,264			-1,076,264		3,577,707

### 33. Special reserves

Unit: RMB

Items	Opening balance	Increased this term	Decreased this term	Closing balance
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Safety production cost	5,843,473	3,922,869	6,532,682	3,233,660
Total	5,843,473	3,922,869	6,532,682	3,233,660

### 34. Surplus reserves

Unit: RMB

Items	Beginning of term	Increased this term	Decreased this term	End of term
Statutory surplus reserve	760,997,662			760,997,662
Discretionary surplus reserve	127,852,568			127,852,568
Total	888,850,230			888,850,230

### 35. Retained earnings

Unit: RMB

Items	The current period	The same period of last year
Retained earnings at the end of last year before adjustment	3,576,949,573	3,637,206,565
Retained earnings at the beginning of this year after adjustment	3,576,949,573	3,431,556,565
Add: net profits belonging to equity holders of the Company	392,992,163	466,883,254
Less: Dividends payable	207,533,556	622,600,668
Retained earnings in the end	3,762,408,180	3,275,839,151

### 36. Revenue and cost

Unit: RMB

Item	Occurred in current term		Occurred in previous term	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	4,914,535,874	3,730,914,851	4,184,209,383	3,052,534,128
Revenue from other operations	29,801,987	6,599,611	43,956,259	24,284,375
Total	4,944,337,861	3,737,514,462	4,228,165,642	3,076,818,503

### 37. Tax and surcharge

Unit: RMB

Item	Occurred in current term	Occurred in previous term
City maintenance and construction tax	15,364,494	12,602,639
Educational surcharge	11,927,211	10,367,308

Housing property tax	14,797,102	5,421,344
Land use rights	11,043,223	3,273,686
Business tax	2,411,686	1,073,483
Others	6,202,059	747,323
Total	61,745,775	33,485,783

### 38. Selling Expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Freight expenses	76,391,481	59,381,190
Employee benefits	49,496,703	43,288,837
Entertainment expenses	5,674,868	5,179,120
Travelling expenses	5,113,500	4,811,124
Vehicle use fee	3,531,901	3,414,236
Rental expenses	3,029,551	2,588,324
General office expenses	1,536,282	2,001,995
Depreciation expenses	482,108	506,576
Others	11,088,337	7,393,429
Total	156,344,731	128,564,831

### 39. Administrative Expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Research and development expenses	151,590,181	127,759,895
Employee benefits	135,166,127	113,606,280
Depreciation expenses	31,885,617	26,989,222
Amortisation of intangible assets	19,756,528	16,315,423
General office expenses	12,640,569	10,148,252
Taxation Expenses		17,604,458
Labour union funds	7,083,212	4,948,671
Entertainment expenses	4,800,751	3,889,174
Travelling expenses	4,486,643	4,446,174
Water and electricity expense	4,529,626	5,086,006
Canteen costs	4,404,253	3,667,235

Vehicle use fee	2,966,987	2,527,549
Rental expenses	2,457,132	1,403,376
Others	20,786,714	10,444,680
Total	402,554,340	348,836,395

#### 40. Finance Expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Loan interest	157,228,769	134,008,214
Less: Capitalised interest	14,034,183	6,183,391
Interest expenses	143,194,586	127,824,823
Less: Interest income	4,186,712	3,301,921
Exchange losses	2,109,890	4,217,530
Others	2,256,263	4,612,961
Total	143,374,027	133,353,393

#### 41. Asset impairment loss

Unit: RMB

Items	Occurred in current term	Occurred in previous term
I. Provision for bad debts	1,108,695	-878,514
2. Provision for inventory depreciation		-46,858
Total	1,108,695	-925,372

#### 42. Investment income

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Long-term equity investment accounted by equity method		-14,264,359
Total		-14,264,359

#### 43. Other gains

Unit: RMB

Source of other gains	Occurred in current term	Occurred in previous term
Industry supporting fund	12,600,000.00	N/A
Government awards fund	4,323,546.00	N/A

Subsidies for research and development	6,479,492.00	N/A
Energy saving subsidy	128,116.00	N/A
Others	143,080.00	N/A
Total	23,674,234.00	N/A

#### 44. Non-operating income

Unit: RMB

Items	Occurred in current term	Occurred in previous term	Amount of non-recurring gain and loss included in the report period
Total of gains from disposal of non-current assets	57,734	248,642	57,734
Incl.: Gain on disposal of fixed assets	57,734	248,642	57,734
Government grants	14,826,965	47,606,029	14,826,965
Compensation income	146,436	462,552	146,436
Funds unpayable	520	171,592	520
Others	997,941	1,549,549	997,941
Total	16,029,596	50,038,364	16,029,596

#### 45. Non-operating expenses

Unit: RMB

Items	Occurred in current term	Occurred in previous term	Amount of non-recurring gain and loss included in the report period
Total of loss from disposal of non-current assets	129,490	19,984	129,490
Incl. Loss from disposal of fixed assets	129,490	19,984	129,490
Donation	199,999	40,000	199,999
Loss on compensations		407,332	
Others	403,103	194,312	403,103
Total	732,592	661,628	732,592

#### 46. Income tax expenses

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

Unit: RMB

Items	Occurred in current term	Occurred in previous term
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Current income tax	74,283,293	57,280,962
Deferred income tax	6,169,728	20,562,202
Total	80,453,021	77,843,164

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

Unit: RMB

Items	Occurred in current term
Total profit	480,667,069
Current income tax expense accounted by tax and relevant regulations	66,102,580
Costs, expenses and losses not deductible for tax purposes	723,999
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax assets	17,012,930
Final settlement of the previous year's income tax adjustment	-3,386,488
Income tax expenses	80,453,021

## 47. Other comprehensive income

The details can be found in notes to the financial statements.

## 48. Items of the cash flow statement

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

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Government grant	23,674,234	22,515,577
Interest income	4,186,712	3,301,921
Others	40,349,756	20,291,438
Total	68,210,702	46,108,936

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

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Transportation expense	68,348,981	61,146,471
Canteen cost	21,140,169	19,735,042
Office expenses	16,993,639	13,568,857

R&D fees	26,795,302	19,470,201
Travelling expenses	12,971,903	11,839,397
Entertainment expenses	11,650,156	10,603,096
Vehicle use fee	7,589,416	7,147,877
Repairing fees	9,445,635	6,426,568
Rental expenses	4,103,767	4,439,417
Insurance expenses	6,679,946	4,823,957
Financing Commission	2,256,263	4,612,961
Others	63,287,032	59,101,076
<b>Total</b>	<b>251,262,209</b>	<b>222,914,920</b>

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

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Government grants received relating to assets	12,800,000	3,600,000
Collection trusted	11,239,200	11,239,200
Received repayment		14,860,684
<b>Total</b>	<b>24,039,200</b>	<b>29,699,884</b>

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

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Payment for collection trusted		15,300,000
Payment for deposit and margin	31,475,182	6,464,586
<b>Total</b>	<b>31,475,182</b>	<b>21,764,586</b>

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

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Received interest free loan	1,381,000,000	
Received mortgage loan	278,400,000	
Received return money from the original affiliated company Shenzhen CSG Display		88,567,811
Collection of income tax of dividends of		7,289,494

A-share & B-share		
Collection	2,490,239	
Received deposit and margin	4,701,291	4,868,673
Total	1,666,591,530	100,725,978

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

Unit: RMB

Items	Occurred in current term	Occurred in previous term
Cash paid for financing lease of the original affiliated company Shenzhen CSG Display		109,125,965
Payment of income tax of dividends of A-share & B-share	1,701,507	
Cash paid for Commission fee	1,750,000	
Total	3,451,507	109,125,965

### 49. Supplement notes of cash flow statement

#### (1) Supplement notes of cash flow statement

Unit: RMB

Supplementary Info.	Amount of this term	Amount of last term
1. Net profit adjusted to cash flow of business operation	--	--
Net profit	400,214,048	465,301,322
Add: Provisions for assets impairment	1,108,695	-925,372
Depreciation of fixed assets, gas and petrol depreciation production goods depreciation	480,563,388	413,138,016
Amortisation of intangible assets	19,756,528	16,315,423
Losses on disposal of fixed assets , intangible assets and other long-term assets (“-“ for gains)	71,756	-228,658
Finance expenses (“-“ for gains)	143,194,586	127,824,823
Investment loss(“-“ for gains)		14,264,359
Decrease in deferred tax assets (“-“ for increase)	11,754,644	21,032,799

Increase of deferred income tax liability (“-“ for decrease)	-5,584,916	-470,597
Decrease of inventory (“-“ for increase)	-152,812,851	-9,920,347
Decrease of operational receivable items (“-“ for increase)	-132,167,898	-30,401,660
Increase of operational payable items (“-“ for decrease)	253,791,474	30,790,241
Net cash flow generated by business operation	1,019,889,454	1,046,720,349
2. Major investment and financing operation not involving with cash	--	--
3. Net change of cash and cash equivalents	--	--
Balance of cash at period end	932,050,522	404,710,155
Less: Initial balance of cash	584,566,990	574,744,877
Net increasing of cash and cash equivalents	347,483,532	-170,034,722

## (2) Formation of cash and cash equivalents

Unit: RMB

Items	Closing balance	Opening balance
I. Cash	932,050,522	584,566,990
Incl: Cash on hand	27,530	17,239
Cash at bank without restriction	932,022,992	584,549,751
others without restriction		
III. Balance of cash and cash equivalents at th end of the period	932,050,522	584,566,990

## 50. Assets of ownership or use right restricted

Unit: RMB

Item	Ending book value	Reason for restriction
Monetary fund	2,184,679	It's the Company's guarantee deposit for the application of opening letter of credit and loan from the bank, which was restricted monetary fund.
Total	2,184,679	--

## 51. Foreign currency monetary items

### (1) Foreign currency monetary items

Unit: RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance convert to RMB
Cash at bank and on hand	--	--	40,648,532

Incl: USD	4,578,142	6.7744	31,014,165
EUR	700	7.7496	5,425
HKD	10,986,291	0.8679	9,535,002
AUD	17,434	5.2099	90,829
JPY	51,421	0.0605	3,111
Accounts receivable	--	--	118,258,690
Incl: USD	16,372,361	6.7744	110,912,922
EUR	946,785	7.7496	7,337,205
HKD	9,866	0.8679	8,563
Short-term borrowings			65,092,500
Incl: HKD	75,000,000	0.8679	65,092,500
Accounts payable			98,782,030
Incl: USD	11,116,217	6.7744	75,305,700
HKD	306	0.8679	266
EUR	1,105,322	7.7496	8,565,803
JPY	246,450,595	0.0605	14,910,261

## VIII. Changes in the scope of consolidation

1. The new subsidiary included in the consolidation scope in the period was **Zhijiang CSG PV New Energy Co., Ltd.** (hereinafter referred to as "Zhijiang PV Company").

## IX. Interest in other entities

### 1. Interest in subsidiary

#### (1) Composition of the Group

Name of subsidiary	Major business location	Place of registration	Scope of business	Shareholding (%)		Way of acquisition
				Direct	Indirect	
Chengdu CSG Glass Co., Ltd.	Chengdu, the PRC	Chengdu, the PRC	Development, production and sales of specialized glass	75%	25%	Establishment
Sichuan CSG Energy Conservation	Chengdu, the PRC	Chengdu, the PRC	Development, production and sales of specialized glass and processed glass	75%	25%	Split-off
Tianjin Energy Conservation Glass Co. Ltd	Tianjin, the PRC	Tianjin, the PRC	Development, production and sales of specialized energy-efficient glass	75%	25%	Establishment

Dongguan CSG Architectural Glass Co., Ltd.	Dongguan, the PRC	Dongguan, the PRC	Glass deep processing	75%	25%	Establishment
Dongguan CSG Solar Glass Co., Ltd.	Dongguan, the PRC	Dongguan, the PRC	Production and sales of solar glass	75%	25%	Establishment
Dongguan CSG PV-tech Co., Ltd.	Dongguan, the PRC	Dongguan, the PRC	Production and sales of high-tech green cell products and modules		100%	Establishment
Yichang CSG Polysilicon Co., Ltd.	Yichang, the PRC	Yichang, the PRC	Production and sales of High purity silicon materials	75%	25%	Establishment
Wujiang CSG North-east Architectural Glass Co., Ltd.	Wujiang, the PRC	Wujiang, the PRC	Glass deep processing	75%	25%	Establishment
Hebei CSG Glass Co., Ltd.	Yongqing, the PRC	Yongqing, the PRC	Production and sales of specialized glass	75%	25%	Establishment
Wujiang CSG Glass Co., Ltd.	Wujiang, the PRC	Wujiang, the PRC	Production and sales of specialized glass	100%		Establishment
China Southern Glass (Hong Kong) Limited	Hong Kong	Hong Kong	Trading and investment holding	100%		Establishment
Hebei Panel Glass Co., Ltd.	Yongqing, the PRC	Yongqing, the PRC	Production and sales of ultra-thin electronic glass	100%		Establishment
Xianning CSG Glass Co Ltd.	Xianning, the PRC	Xianning, the PRC	Production and sales of specialized glass	75%	25%	Establishment
Xianning CSG Energy Conservation Glass Co Ltd.	Xianning, the PRC	Xianning, the PRC	Glass deep processing	75%	25%	Split-off
Qingyuan CSG Energy Saving New Materials Co.,Ltd	Qingyuan, the PRC	Qingyuan, the PRC	Production and sales of ultra-thin electronic glass	100%		Establishment
Shenzhen CSG Display Technology Co., Ltd.	Shenzhen, the PRC	Shenzhen, the PRC	Glass for display device	60.80%		Acquisition
Xianning CSG Photoelectric Glass Co., Ltd.	Xianning, the PRC	Xianning, the PRC	Photoelectric glass and high-alumina glass	37.50%	62.50%	Acquisition

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

Unit: RMB

Subsidiaries	Shareholding of minority shareholders	Total profit or loss attributable to minority shareholders for the year ended 30 June 2017	Dividends distributed to minority interests for the year ended 30 June 2017	Minority interest as at 30 June 2017
Shenzhen CSG Display Technology Co., Ltd.	39.20%	5,787,351		311,685,657

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

Unit: RMB

Name of Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen CSG Display Technology Co., Ltd.	262,179,100	1,347,074,249	1,609,253,349	505,674,968	314,316,352	819,991,320	211,285,238	1,338,686,341	1,549,971,579	541,303,424	233,139,941	774,443,365

Unit: RMB

Name of Subsidiary	Occurred in current term				Occurred in previous term			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen CSG Display Technology Co., Ltd.	228,993,498	14,924,574	14,924,574	27,884,582	37,282,745	-4,023,839	-4,023,839	19,571,109

## X. Risk related to financial instrument

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

### (1) Market risk

#### (a) Foreign exchange risk

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

As at 30 June 2017 the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarized below:

	30 June 2017			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency-				
Cash at bank and on hand	31,014,165	9,535,002	99,365	40,648,532
Receivables	110,912,922	8,563	7,337,205	118,258,690
	141,927,087	9,543,565	7,436,570	158,907,222
Financial liabilities denominated in foreign currency-				
Short-term borrowings	-	65,092,500	-	65,092,500
Payables	75,305,700	266	23,476,064	98,782,030
	75,305,700	65,092,766	23,476,064	163,874,530

	31 December 2016			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency-				
Cash at bank and on hand	24,360,614	5,551,402	840,393	30,752,409
Receivables	105,742,398	-	6,917,969	112,660,367
	130,103,012	5,551,402	7,758,362	143,412,776
Financial liabilities denominated in foreign currency-				

Short-term borrowings	-	67,087,500	-	67,087,500
Payables	74,140,797	275	24,217,998	98,359,070
	74,140,797	67,087,775	24,217,998	165,446,570

As at 30 June 2017, if the currency had weakened/strengthened by 10% against the USD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB 5,662,818 (31 December 2016: approximately RMB 4,756,788) lower/ higher for various financial assets and liabilities denominated in USD.

As at 30 June 2017, if the currency had strengthened /weakened by 10% against the HKD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB 4,721,682 (31 December 2016: approximately RMB 5,230,592) higher/lower for various financial assets and liabilities denominated in HKD.

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

#### (b) Interest rate risk

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

	30 June 2017	31 December 2016
Debt at fixed rates	1,570,000,000	1,380,000,000
Debt at variable rates	54,000,000	58,660,000
	1,624,000,000	1,438,660,000

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

#### (2) Credit risk

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

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

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

### (3) Liquidity risk

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

As at 30 June 2017, the Group had net current liabilities of approximately RMB 3.385 billion and committed capital expenditures of approximately RMB 390 million. Management will implement the following measures to ensure the liquidation risk limited to a controllable extent:

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

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

30 June 2017					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	2,439,522,457	-	-	-	2,439,522,457
Notes payable	114,500,000	-	-	-	114,500,000
Accounts payable	1,382,500,478	-	-	-	1,382,500,478
Interest payable	98,184,696	-	-	-	98,184,696
Dividend payable	207,533,556				207,533,556
Other payables	844,823,887	-	-	-	844,823,887
Other current liabilities	300,000	-	-	-	300,000
Non-current liabilities due within one year	1,117,193,707	-	-	-	1,117,193,707
Long-term borrowings	78,992,500	306,409,062	1,474,047,671	-	1,859,449,233
Long-term payables	-	733,909,378	104,962,292	-	838,871,670
	6,283,551,281	1,040,318,440	1,579,009,963	-	8,902,879,684

31 December 2016					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	4,043,966,809	-	-	-	4,043,966,809
Notes payable	20,000,000	-	-	-	20,000,000
Accounts payable	1,169,869,370	-	-	-	1,169,869,370
Interest payable	78,225,904	-	-	-	78,225,904
Other payables	188,321,450	-	-	-	188,321,450
Other current liabilities	300,000	-	-	-	300,000
Non-current liabilities due within one year	1,068,336,787	-	-	-	1,068,336,787
Long-term borrowings	73,188,850	290,439,172	1,287,871,345	-	1,651,499,367
	6,642,209,170	290,439,172	1,287,871,345	-	8,220,519,687

## XI. Disclosure of fair value

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

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

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

	30 June 2017		31 December 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities -				
Corporate bonds payable	1,000,000,000	999,500,000	1,000,000,000	1,009,177,000
Medium term notes	1,200,000,000	1,257,000,000	1,200,000,000	1,175,308,800
	2,200,000,000	2,256,500,000	2,200,000,000	2,184,485,800

The fair values of payables and medium-term notes are the present value of the contractually determined stream of future cash flows at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, thereinto bonds payable belongs to Level 1 and medium term notes belong to Level 2.

## XII. Related party and related Transaction

### 1. Parent company of the Company

The Company has no parent company.

### 2. Subsidiaries of the Company

The information of subsidiaries of the Company can be found in Notes to the financial statement.

### 3. Joint venture of the Company

Shenzhen Nanbo Display Technology Co., Ltd. was transferred to the subsidiary of the Company from joint venture on 3 June, 2016. The Company has no joint venture on 30 June 2017.

### 4. Other related parties

Name of other related parties	Relations between other related parties and the Company
Shenzhen Jushenghua Co. Ltd.	The person acting in concert of the Company's largest shareholder

### 5. Related transaction

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

List of selling goods/offering labor service

Unit: RMB

Related party	Contents of related transaction	Occurred in this term	Occurred in previous term
Shenzhen CSG Display Technology Co., Ltd.	sales of goods		9,665,275

### 6. Others

#### Commitments in relation to related parties

The commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Group as at the balance sheet date are as follows:

On 22 November 2016, the Company received a letter from its shareholder, Jushenghua, stating that to support the Group's steady operation and development, Jushenghua, as the shareholder of the Company, would like to offer interest-free borrowings with the total amount of RMB 2,000,000,000 to the Company or through related parties designated by it. For any borrowing drawn, its repayment date is negotiated by the Company and Jushenghua upon withdrawal. When a borrowing is due, if an extension is needed, the Company can apply to the actual lender based on the Company's operation; where the actual lender agrees with the extension application, the term of the borrowing is extended accordingly. As of 30 June 2017, the shareholder had provided RMB 700,000,000 long-term interest-free loans and RMB 650,000,000 short-term interest-free loans.

## XIII. Commitments and contingency

#### Capital expenditures commitments

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

	30 June 2017	31 December 2016
Buildings, machinery and equipment	386,575,774	280,938,401

## XIV. Other significant events

### 1. Segment information

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

To meet operating strategies and requirements of business development, the Group adjusted its operating structure in the period. The Group's management allocated resources, evaluated segment performance, updated reporting segment, and disclosed segment information according to revised operating segments in the period. Segment information of prior year had been restated in accordance with updated reporting segments.

- Glass segment, being engaged in the production and sales of glass products and silica sand required for the production of glass
- Solar Energy Segment, being engaged in the production and sales of polysilicon and solar modules, as well as construction and operation of photovoltaic power plants
- Electronic glass and display Segment, being engaged in the production and sales of ultrathin electronic glass and display products

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

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

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

#### (2) Financial information of segment

Unit: RMB

Item	Glass	Solar Energy	Electronic glass and display	Others	Unallocated	Elimination	Total
Revenue from external customers	3,206,687,159	1,369,755,550	367,265,891		629,261		4,944,337,861
Inter-segment revenue	18,599,065	18,083,108	198,902		26,666,005	-63,547,080	
Interest income	491,062	2,397,326	56,932		3,528,724	-2,287,332	4,186,712
Interest expenses	70,412,931	37,231,830	15,045,705		22,791,452	-2,287,332	143,194,586
Asset impairment reversal	946,289	-62,414	217,114		7,706		1,108,695
Depreciation and amortization expenses	299,606,450	134,711,851	62,922,138		3,079,477		500,319,916

Total profit	392,627,615	118,589,867	37,245,148	-773	-64,588,492	-3,206,296	480,667,069
Income tax expenses	52,290,936	13,020,016	15,176,880		-34,811		80,453,021
Net profit	340,336,679	105,569,851	22,068,268	-773	-64,553,681	-3,206,296	400,214,048
Total assets	8,982,177,389	4,952,619,591	2,968,323,479	134,388	1,027,026,766		17,930,281,613
Total liabilities	2,162,476,308	793,195,356	695,646,857	2,502,814	5,865,531,905		9,519,353,240
Additions of non-current assets other than long-term equity investments	92,971,231	404,028,047	222,862,634		1,886,129		721,748,041

### (3) Other statement

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

Revenue from external customers	Jan.-Jun. 2017	Jan.-Jun. 2016
Mainland	4,453,794,331	3,742,134,566
Hong Kong	159,110,247	46,568,633
Europe	10,469,923	34,282,849
Asia (other than Mainland and Hong Kong)	284,803,871	316,839,177
Australia	23,668,506	19,557,991
North America	9,235,672	64,008,117
Other region	3,255,311	4,774,309
	4,944,337,861	4,228,165,642

Total non-current assets	30 June 2017	31 December 2016
Mainland	14,606,514,921	14,392,447,014
Hong Kong	12,563,601	12,551,254
	14,619,078,522	14,404,998,268

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

## XV. Notes to Financial Statements of the Parent Company

### 1. Other accounts receivable

#### (1) Other accounts receivable disclosed by category:

Unit: RMB

Categories	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	3,416,531,057	100%	16,511	0%	3,416,514,546	3,863,129,835	100%	8,806	0%	3,863,121,029
<b>Total</b>	<b>3,416,531,057</b>	<b>100%</b>	<b>16,511</b>	<b>0%</b>	<b>3,416,514,546</b>	<b>3,863,129,835</b>	<b>100%</b>	<b>8,806</b>	<b>0%</b>	<b>3,863,121,029</b>

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

Applicable  Non-applicable

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

Applicable  Non-applicable

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

Applicable  Non-applicable

Unit: RMB

Name of portfolio	Closing balance		
	Other receivable accounts	Bad debt provision	proportion%
portfolio 1	825,597	16,511	2%
portfolio 2	3,415,705,460		
<b>Total</b>	<b>3,416,531,057</b>	<b>16,511</b>	<b>0%</b>

Explanation for determining the basis of the portfolio:

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

Applicable  Non-applicable

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

The amount of provision for bad debts during the report period was RMB 7,705. The amount of the reversed or collected part during the report period was RMB 0.

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

Unit: RMB

Nature of accounts	Ending book balance	Beginning book balance
Others	825,597	423,416
Accounts receivable of related party	3,415,705,460	3,862,706,419

Total	3,416,531,057	3,863,129,835
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**(4) Top 5 of the closing balance of the other accounts receivable collated according to the arrears party**

Unit: RMB

Name of the company	Nature of accounts	Closing balance	Ages	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
Yichang CSG Polysilicon Co., Ltd.	Subsidiary	1,304,538,480	Within 1 year	38%	0
Hebei CSG Glass Co., Ltd.	Subsidiary	333,719,030	Within 1 year	10%	0
Qingyuan CSG Energy Conservation New Materials Co., Ltd.	Subsidiary	298,547,212	Within 1 year	9%	0
Dongguan CSG PV-tech Co., Ltd.	Subsidiary	226,825,146	Within 1 year	7%	0
Yichang CSG Display Co.,Ltd.	Subsidiary	195,317,564	Within 1 year	6%	0
Total	--	2,358,947,432	--	70%	

**2. Long-term equity investment**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	4,805,440,632	15,000,000	4,790,440,632	4,805,440,632	15,000,000	4,790,440,632
Total	4,805,440,632	15,000,000	4,790,440,632	4,805,440,632	15,000,000	4,790,440,632

**(1) Investment in subsidiaries**

Unit: RMB

Invested company	Opening balance	Increase in the term	Decrease in the term	Closing balance	Provision for impairment of the current period	Closing balance of impairment provision
Chengdu CSG Glass Co., Ltd.	146,679,073			146,679,073		
Sichuan CSG Energy Conservation	115,290,583			115,290,583		
Tianjin Energy Conservation Glass Co. Ltd	242,902,974			242,902,974		
Dongguan CSG Architectural Glass Co., Ltd.	193,618,971			193,618,971		
Dongguan CSG Solar Glass Co., Ltd.	349,446,826			349,446,826		
Yichang CSG Polysilicon Co., Ltd.	632,958,044			632,958,044		

Wujiang CSG North-east Architectural Glass Co., Ltd.	251,313,658			251,313,658	
Hebei CSG Glass Co., Ltd.	261,998,368			261,998,368	
China Southern Glass (Hong Kong) Limited	85,742,211			85,742,211	
Wujiang CSG Glass Co., Ltd.	562,179,564			562,179,564	
Hebei Panel Glass Co., Ltd.	243,062,801			243,062,801	
Jiangyou CSG Mining Development Co. Ltd.	100,725,041			100,725,041	
Xianning CSG Glass Co Ltd.	177,041,818			177,041,818	
Xianning CSG Energy Conservation Glass Co Ltd.	161,281,576			161,281,576	
Qingyuan CSG Energy Saving New Materials Co.,Ltd	300,185,609			300,185,609	
Shenzhen CSG Financial Leasing Co., Ltd.	133,500,000			133,500,000	
Shenzhen CSG PV Energy Co., Ltd.	100,000,000			100,000,000	
Shenzhen CSG Display Technology Co., Ltd.	542,027,830			542,027,830	
Xianning CSG Photoelectric Glass Co., Ltd.	38,250,000			38,250,000	
Others(ii)	167,235,685			167,235,685	15,000,000
Total	4,805,440,632			4,805,440,632	15,000,000

## (2) Other notes

As at June 30, 2017, long-term equity investment in subsidiaries contained the restricted stocks granted by the Company to the Employees of subsidiaries of the company, and the Company did not charge any fees for the restricted stocks which was deemed as an increase of costs of Long-term equity investment for subsidiaries by RMB 109,035,321 (31 December 2016: RMB109,035,321).

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

## 3. Operating income and operating costs

Unit: RMB

Item	Occurred in this term		Occurred in previous term	
	Income	Costs	Income	Costs
Main business	0	0	0	0
Other business	27,295,266	0	1,077,394	60,334

Total	27,295,266	0	1,077,394	60,334
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#### 4. Investment income

Unit: RMB

Item	Occurred in this term	Occurred in previous term
Long-term equity investment accounted by cost method		389,430,562
Long-term equity investment accounted by equity method		9,850,045
Total		399,280,607

### XVI. Supplementary Information

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

Applicable  Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-71,756	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	38,501,199	
Other non-operating income and expenditure except for the aforementioned items	541,795	
Less: Impact on income tax	5,814,362	
Impact on minority shareholders' equity (post-tax)	1,109,957	
Total	32,046,919	--

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

Applicable  Not applicable

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

Profit in the report period	The weighted average net assets ratio	Earnings per share	
		basic earnings per share (RMB/share)	diluted earnings per share (RMB/share)
Net profit attributable to shareholders of the listed company(RMB)	4.94%	0.19	0.19
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	4.54%	0.17	0.17

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

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

Applicable     Not applicable

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

Applicable     Not applicable