

CSG Holding Co., Ltd.

2025

Audit Report

Grant Thornton Zhitong Certified Public Accountants LLP

Table of Contents

Audit Report	1-7
Consolidated and Company Balance Sheets	1-4
Consolidated and Company Income Statements	5-7
Consolidated and Company Statements of Cash Flows	8-9
Consolidated and Company Statement of Changes in Equity	10-13
Notes to the Financial Statements	14-107

Audit Report

GTCNSZ (2026) NO.441A015902

To All Shareholders of CSG Holding Co., Ltd.:

I. Audit Opinion

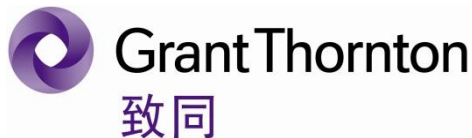
We have audited the financial statements of CSG Holding Co., Ltd. (hereinafter referred to as “the Group”), including the consolidated and company balance sheets as of December 31, 2025; the consolidated and company income statements, consolidated and company cash flow statements, and consolidated and company statements of changes in equity for the year ended December 31, 2025; and the related notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in all material respects in accordance with the Chinese Accounting Standards for Business Enterprises and present fairly the consolidated and company financial position of the Group as of December 31, 2025, and the consolidated and company results of operations and cash flows for the year ended December 31, 2025.

II. Basis for the Audit Opinion

We conducted our audit in accordance with the Chinese Standards on Auditing. The section of the audit report titled “The Auditor’s Responsibilities for the Audit of Financial Statements” further describes our responsibilities under these standards. In accordance with the Code of Professional Ethics for Certified Public Accountants of China and the Independence Requirements for Public Interest Entities under the Independence Standards for Certified Public Accountants of China, we are independent of the Group and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters



Key audit matters are those matters that, based on our professional judgment, we consider to be of the most significance to the audit of the current period's financial statements. The treatment of these matters is in the context of our audit of the financial statements as a whole and the formation of our audit opinion; we do not express a separate opinion on these matters.

(I) Revenue Recognition

For related disclosures, please refer to Notes 3.26 and 5.42 to the financial statements.

1. Description of the Matter

The Group's revenue primarily derives from the provision of float glass, photovoltaic glass, architectural glass, solar industry-related products, electronic glass, and display devices to customers. As revenue is one of the Group's key performance indicators and has a significant impact on the financial statements, we have identified revenue recognition as a key audit matter.

2. Audit Response

We performed the following audit procedures primarily regarding revenue recognition:

- (1) We obtained an understanding of and evaluated the design of internal controls related to revenue recognition and tested the operating effectiveness of key control processes;
- (2) We reviewed a sample of significant sales contracts, identified contract terms and conditions related to the timing of the transfer of control of the products, and assessed whether the Group's specific revenue recognition methods comply with the provisions of Chinese Accounting Standards for Business Enterprises;
- (3) We performed substantive analysis procedures on operating revenue and gross profit margin by month, product, and customer to identify any significant or unusual fluctuations and analyze the causes of such fluctuations;
- (4) Selected a sample to perform detailed testing of revenue recognized during the current period; reviewed sales contracts; verified supporting documentation related to revenue recognition (including purchase orders, delivery receipts, customs declarations, and

invoices); and, in conjunction with customer payment status, verified the authenticity and accuracy of the revenue;

(5) Select clients using sampling methods and perform confirmation procedures on their annual transaction amounts and accounts receivable balances;

(6) Perform cut-off tests on revenue recognized before and after the balance sheet date, obtain relevant supporting documents, and verify key timing points for revenue recognition to determine whether revenue was recognized in the appropriate period;

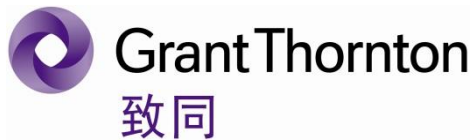
(7) Examine whether information related to revenue has been appropriately presented and disclosed in the financial statements.

(II) Provision for Impairment of Fixed Assets and Construction in Progress

For related disclosures, please refer to Notes 3, 16, 17, and 22 to the financial statements, as well as Notes 5, 12, 13, and 52.

1. Description of the Matter

As of December 31, 2025, the carrying amount of fixed assets in the Group's consolidated financial statements was RMB 13,897,777,933, accounting for 44.39% of total assets in the consolidated financial statements; The carrying amount of construction in progress was RMB 4,420,551,577, representing 14.12% of total assets in the consolidated financial statements; asset impairment losses recognized for fixed assets during the reporting period amounted to RMB 58,043,358, while asset impairment losses for construction in progress totaled RMB 105,283,872. The management of the Group (hereinafter referred to as "management") assessed whether there were any indications of impairment for these fixed assets and construction in progress; for fixed assets and construction in progress where impairment indicators were identified, management determined the amount of impairment provisions to be recognized by estimating the recoverable amounts of the fixed assets and construction in progress and comparing those recoverable amounts with their carrying amounts. Since the identification of impairment indicators for fixed assets and construction in progress and the measurement of their recoverable amounts involve significant



accounting estimates and professional judgment by management, we have identified the provision for impairment of fixed assets and construction in progress as a key audit matter.

2. Audit Response

We performed the following audit procedures primarily regarding the provision for impairment of fixed assets, construction in progress:

(1) We obtained an understanding of and evaluated the design of internal controls related to the management of fixed assets, construction in progress, and other related activities, and tested the operating effectiveness of key control processes;

(2) We reviewed the methods and assumptions used by the Group for impairment testing of fixed assets and construction in progress, and evaluated whether the asset impairment methods applied by management comply with the requirements of Chinese Accounting Standards for Business Enterprises;

(3) We conducted physical counts of fixed assets and construction in progress to observe their storage and usage conditions;

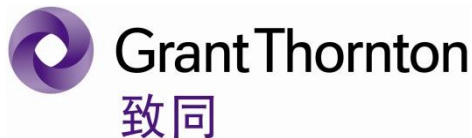
(4) Recalculated the recoverable amounts of fixed assets and construction in progress, and had the valuation experts of the certified public accountants review the valuation methods and key assumptions used by the external valuation firm engaged by management;

(5) Evaluate the competence, professional qualifications, and objectivity of the valuation experts engaged by management and the valuation experts from the certified public accounting firm.

IV. Other Information

The Group's management is responsible for the other information. The other information includes the information contained in the Group's 2025 Annual Report, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion regarding the other information.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with our knowledge obtained during the audit, or appears to be subject to a material misstatement.

Based on the work we have performed, if we determine that the other information contains a material misstatement, we are required to report that fact. In this regard, we have nothing to report.

V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Group's management is responsible for preparing the financial statements in accordance with the provisions of the Chinese Accounting Standards for Business Enterprises so that they present a true and fair view, and for designing, implementing, and maintaining the necessary internal controls to ensure that the financial statements are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing matters related to going concern, and using the going concern assumption, unless management plans to liquidate the Group, discontinue operations, or has no other realistic alternative.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

VI. The Certified Public Accountant's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report that includes an audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement. Misstatements may result from fraud or error, and are generally considered material if it can be reasonably expected that the

misstatement, individually or in the aggregate, could influence the economic decisions of users of the financial statements.

In conducting the audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following procedures:

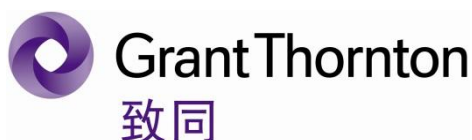
(1) Identify and assess the risks of material misstatement of the financial statements due to fraud or error; design and perform audit procedures to address these risks; and obtain sufficient and appropriate audit evidence as a basis for expressing an audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal controls, the risk of failing to detect a material misstatement resulting from fraud is higher than the risk of failing to detect a material misstatement resulting from error.

(2) Obtain an understanding of internal controls relevant to the audit in order to design appropriate audit procedures.

(3) Evaluate the appropriateness of management's selection of accounting policies and the reasonableness of management's accounting estimates and related disclosures.

(4) Form a conclusion regarding the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, form a conclusion regarding whether there is material uncertainty related to matters or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, auditing standards require us to draw users' attention in the audit report to the related disclosures in the financial statements; if the disclosures are inadequate, we are required to issue a non-unqualified opinion. Our conclusions are based on information available as of the date of this audit report. However, future events or conditions may cause the Group to cease to be a going concern.

(5) Evaluate the overall presentation, structure, and content of the financial statements, and assess whether the financial statements fairly present the relevant transactions and events.



(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for directing, overseeing, and performing the Group audit, and we bear full responsibility for the audit opinion.

We communicated with those charged with governance regarding the planned scope and timing of the audit, as well as significant audit findings, including internal control deficiencies of significance that we identified during the audit.

We also provided a statement to those charged with governance regarding our compliance with ethical requirements related to independence and communicated with those charged with governance regarding all relationships and other matters that could reasonably be considered to affect our independence, as well as the related safeguards.

From the matters communicated with those charged with governance, we determine which are most significant to the audit of the current financial statements and thus constitute key audit matters. We describe these matters in our audit report, unless public disclosure is prohibited by law or regulation, or in rare circumstances where we reasonably expect that the adverse consequences of communicating a matter in the audit report would outweigh the benefits to the public interest, in which case we determine that the matter should not be communicated in the audit report.

<p>Grant Thornton Zhitong Certified Public Accountants LLP</p> <p>Beijing, China</p>	<p>Certified Public Accountant of China (Engagement Partner)</p> <p>Certified Public Accountant of China</p>	
		<p>April 24, 2026</p>

Consolidated Balance Sheet

Prepared by: CSG Holding Co., Ltd.

December 31, 2025

Unit: Yuan

Item	Ending Balance	Beginning Balance
Current Assets:		
Cash and Cash Equivalents	3,141,975,147	3,421,527,482
Financial assets held for trading	230,000,000	96,000,000
notes receivable	1,420,061,226	1,140,902,743
accounts receivable	1,802,165,051	1,686,627,681
Receivables financing	533,418,878	798,603,111
Prepayments	134,771,994	121,708,264
Other receivables	54,386,121	165,872,735
inventories	1,969,149,555	1,587,828,028
assets held for sale	5,262,859	
Other current assets	474,226,753	475,617,056
Total current assets	9,765,417,584	9,494,687,100
Non-current assets:		
investment properties	286,145,387	293,712,453
fixed assets	13,897,777,933	13,166,391,449
construction in progress	4,420,551,577	5,350,375,132
right-of-use assets	64,277,229	64,804,837
intangible assets	2,238,041,467	2,361,275,093
goodwill	3,039,946	8,593,352
Deferred expenses	68,644,513	71,254,985
deferred tax assets	368,236,650	309,995,066
Other non-current assets	192,896,549	99,328,456
Total non-current assets	21,539,611,251	21,725,730,823
Total Assets	31,305,028,835	31,220,417,923
Current Liabilities:		
short-term borrowings	1,158,648,329	1,163,021,299
Notes Payable	2,557,712,651	2,244,413,755
accounts payable	2,769,745,963	3,092,025,797
contract liabilities	369,377,265	354,215,784
employee compensation payable	329,941,978	347,769,466
taxes payable	73,812,602	73,688,362
Other payables	369,513,739	312,816,531
Of which: Interest payable	13,362,151	8,946,479
Dividends payable	34,482,724	
Non-current liabilities due within one year	1,881,828,060	2,168,856,957

Item	Ending Balance	Beginning Balance
Other current liabilities	320,616,877	218,529,333
Total Current Liabilities	9,831,197,464	9,975,337,284
Non-current liabilities:		
long-term borrowings	6,882,862,147	6,151,608,472
Lease liabilities	23,057,883	21,650,607
Long-term payables	594,270,580	464,617,473
provisions	27,378,869	13,137,220
deferred income	301,071,111	487,252,038
deferred tax liabilities	90,503,199	104,170,857
Total non-current liabilities	7,919,143,789	7,242,436,667
Total Liabilities	17,750,341,253	17,217,773,951
Equity:		
share capital	3,070,692,107	3,070,692,107
capital surplus	590,739,414	590,739,414
Less: Treasury stock	296,770,027	
other comprehensive income	150,816,908	159,726,269
Special reserve	6,302,910	5,079,628
surplus reserve	1,534,714,228	1,485,514,182
retained earnings	8,088,993,418	8,224,198,195
Total equity attributable to the parent company	13,145,488,958	13,535,949,795
non-controlling interests	409,198,624	466,694,177
Total equity	13,554,687,582	14,002,643,972
Total Liabilities and Equity	31,305,028,835	31,220,417,923

Legal Representative:

Head of Accounting:

Head of Accounting Department:

Parent Company Balance Sheet

Unit: Yuan

Item	Ending Balance	Opening Balance
Current Assets:		
Cash and Cash Equivalents	742,484,026	1,434,524,102
Financial assets held for trading	230,000,000	96,000,000
notes receivable	212,074,929	2,300,715
accounts receivable	274,825,872	110,153,840
Receivables financing	675,552	82,269,158
Prepayments	8,411,632	758,454
Other receivables	2,852,499,592	2,342,796,700
Of which: Dividends receivable	27,873,015	
Other current assets	397,702	3,123,645
Total current assets	4,321,369,305	4,071,926,614
Non-current assets:		
long-term equity investment	10,537,821,440	10,550,321,440
fixed assets	5,042,527	6,747,771
intangible assets	12,221,050	11,870,899
Long-term deferred expenses	4,303,187	3,920,072
Other non-current assets	64,131,973	5,383,326
Total non-current assets	10,623,520,177	10,578,243,508
Total Assets	14,944,889,482	14,650,170,122
Current Liabilities:		
short-term borrowings	315,000,000	335,000,000
Notes Payable	238,668,124	336,581,197
accounts payable	351,782,190	196,674,995
employee compensation payable	37,636,173	41,561,327
taxes payable	1,909,891	4,552,018
Other payables	2,457,593,966	3,050,996,384
Of which: Interest payable	6,917,879	2,298,742
Non-current liabilities due within one year	453,730,000	711,705,100
Other current liabilities	183,557,629	
Total current liabilities	4,039,877,973	4,677,071,021
Non-current liabilities:		
long-term borrowings	2,620,480,000	1,500,750,000
deferred income		171,375,000
Total non-current liabilities	2,620,480,000	1,672,125,000
Total Liabilities	6,660,357,973	6,349,196,021
Equity:		
share capital	3,070,692,107	3,070,692,107

Item	Ending Balance	Opening Balance
capital surplus	741,824,399	741,824,399
Less: Treasury stock	296,770,027	
surplus reserve	1,549,259,588	1,500,059,542
retained earnings	3,219,525,442	2,988,398,053
Total Equity	8,284,531,509	8,300,974,101
Total Liabilities and Equity	14,944,889,482	14,650,170,122

Legal Representative:

Head of Accounting:

Head of Accounting Department:

Consolidated Income Statement

Unit: Yuan

Item	2025	2024
I. Total Operating Revenue	13,718,969,008	15,455,386,401
Of which: Operating Revenue	13,718,969,008	15,455,386,401
II. Total Operating Costs	13,633,173,718	14,862,498,173
Of which: Operating cost	11,714,880,100	12,848,639,959
taxes and surcharges	146,502,109	137,971,275
selling expenses	294,891,682	289,402,862
general and administrative expenses	740,357,271	791,021,833
research and development expenses	519,332,680	611,497,261
financial expenses	217,209,876	183,964,983
Of which: Interest expense	247,130,850	240,388,865
Interest income	40,278,639	55,326,006
Plus: Other income	170,024,549	221,848,074
Investment income (losses indicated with a "-")	-11,090,098	-1,604,000
Gain (loss) from changes in fair value (enter "-" for a loss)	-9,045,057	-491,578
Credit impairment losses (losses are indicated with a "-" sign)	52,872,082	24,154,920
Asset impairment losses (losses are reported with a "-" sign)	-256,359,957	-581,082,224
Gain (Loss) on Disposal of Assets (Losses are indicated by a "-")	19,981,685	42,232,656
III. Operating Profit (Losses are indicated with a "-")	52,178,494	297,946,076
Plus: Non-operating income	58,384,012	19,908,997
Less: Non-operating expenses	11,487,439	26,948,172
IV. Total Profit (Total Loss to be entered with a "-" sign)	99,075,067	290,906,901
Less: Income tax expense	-6,259,072	43,306,358
V. Net Profit (Net Loss to be reported with a "-" sign)	105,334,139	247,600,543
(1) Classified by going concern		
1. Net Profit from Going Concern (Net Losses to be Entered with a "-" Sign)	105,334,139	247,600,543
(2) By ownership		
1. Net Profit Attributable to Shareholders of the Parent Company	125,668,291	266,772,318
2. Profit or loss attributable to non-controlling interests	-20,334,152	-19,171,775
VI. Net other comprehensive income, net of tax	-8,909,361	-17,658,202
Net other comprehensive income attributable to owners of the parent, net of tax	-8,909,361	-17,658,202
(a) Other comprehensive income reclassified to profit or loss	-8,909,361	-17,658,202
1. Foreign currency translation adjustments	-8,988,580	1,300,833
2. Other	79,219	-18,959,035
Net amount of other comprehensive income attributable to minority interest, net of tax		
VII. Total Comprehensive Income	96,424,778	229,942,341

Item	2025	2024
Total comprehensive income attributable to owners of the parent	116,758,930	249,114,116
Total comprehensive income attributable to minority interest	-20,334,152	-19,171,775
VIII. Earnings Per Share		
(1) Basic earnings per share	0.04	0.09
(2) Diluted earnings per share	0.04	0.09

Legal Representative:

Head of Accounting:

Head of Accounting Department:

Parent Company Income Statement

Unit: Yuan

Item	2025	2024
I. Operating Revenue	272,627,090	338,675,178
Less: Operating Cost		
taxes and surcharges	2,227,280	3,110,286
selling expenses	22,244,989	36,103,577
general and administrative expenses	224,450,483	236,019,621
financial expenses	42,528,084	27,592,321
Of which: Interest expense	80,193,334	67,179,991
Interest income	39,247,416	44,163,444
Plus: Other income	1,155,778	1,227,264
Investment income (losses indicated with a "-")	458,624,665	777,558,451
Credit impairment losses (losses indicated with a "-")	51,268,965	96,963
Gain (loss) on disposal of assets (enter loss with a "-" sign)	44,956	28,478
II. Operating Profit (Losses are indicated with a "-")	492,270,618	814,760,529
Add: Non-operating income	101,239	41,107
Less: Non-operating expenses	371,400	292,800
III. Total Profit (Total Loss to be entered with a "-" sign)	492,000,457	814,508,836
Less: Income tax expense		
IV. Net Profit (Net Loss to be entered with a "-" sign)	492,000,457	814,508,836
(1) Net Profit from a Going Concern (Net loss is indicated by a "-")	492,000,457	814,508,836
(2) Net profit from discontinued operations (net loss indicated by "-")		
V. Total Comprehensive Income	492,000,457	814,508,836

Legal Representative:

Head of Accounting:

Head of Accounting Department:

Consolidated Statement of Cash Flows

Unit: Yuan

Item	2025	2024
I. Cash Flows from Operating Activities:		
Cash received from sales of goods and provision of services	13,859,258,880	16,772,575,368
Tax refunds received	47,741,989	47,831,532
Cash received from other operating activities	194,572,414	271,579,331
Subtotal of cash inflows from operating activities	14,101,573,283	17,091,986,231
Cash paid for purchases of goods and services	10,037,324,214	11,950,326,730
Cash paid to employees and on behalf of employees	1,911,922,057	2,158,941,445
Taxes and fees paid	590,584,111	705,238,646
Cash paid for other operating activities	415,195,604	520,555,761
Subtotal of cash outflows from operating activities	12,955,025,986	15,335,062,582
Net cash flow from operating activities	1,146,547,297	1,756,923,649
II. Cash Flows from Investing Activities:		
Cash received from recovery of investments	4,480,254,000	572,800,000
Cash received from investment income	5,797,199	6,336,869
Net cash recovered from the disposal of fixed assets, intangible assets, and other long-term assets	37,253,698	77,595,470
Subtotal of cash inflows from investing activities	4,523,304,897	656,732,339
Cash paid for the acquisition of fixed assets, plant, and equipment, intangible assets, and other long-term assets	1,023,280,563	2,338,449,565
Cash paid for investments	4,708,224,786	555,254,000
Cash paid for other items related to investing activities	73,284,281	46,621,319
Subtotal of cash outflows from investing activities	5,804,789,630	2,940,324,884
Net cash flow from investing activities	-1,281,484,733	-2,283,592,545
III. Cash Flows from Financing Activities:		
Cash received from borrowings	5,370,286,999	3,458,878,582
Cash received from other financing activities	374,424,862	458,231,000
Subtotal of cash inflows from financing activities	5,744,711,861	3,917,109,582
Cash paid for repayment of debt	5,028,438,537	1,917,891,123
Cash paid for dividends, profits, or interest	480,764,742	1,050,959,870
Of which: dividends and profits paid by subsidiaries to minority shareholders	2,678,677	
Cash paid for other financing activities	489,057,426	113,846,515
Subtotal of cash outflows from financing activities	5,998,260,705	3,082,697,508
Net cash provided by financing activities	-253,548,844	834,412,074
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,783,217	8,868,553
V. Net Increase in Cash and Cash Equivalents	-386,703,063	316,611,731
Plus: Beginning balance of cash and cash equivalents	3,367,873,386	3,051,261,655
VI. Cash and cash equivalents at end of period	2,981,170,323	3,367,873,386

Parent Company Cash Flow Statement

Unit: Yuan

Item	2025	2024
I. Cash Flows from Operating Activities:		
Cash received from sales of goods and provision of services	945,335,244	1,576,769,823
Cash received from other operating activities	26,227,706	45,079,422
Subtotal of cash inflows from operating activities	971,562,950	1,621,849,245
Cash paid for purchases of goods and services	610,142,805	1,232,373,179
Cash paid to employees and for employee-related expenses	213,448,516	259,676,303
Taxes and other payments	15,812,845	20,843,382
Cash paid for other items related to operating activities	72,339,689	173,275,473
Subtotal of cash outflows from operating activities	911,743,855	1,686,168,337
Net cash flow from operating activities	59,819,095	-64,319,092
II. Cash Flows from Investing Activities:		
Cash received from recovery of investments	4,469,000,000	470,000,000
Cash received from investment income	434,875,633	912,151,446
Net cash recovered from the disposal of fixed assets, intangible assets, and other long-term assets	52,200	32,180
Subtotal of cash inflows from investing activities	4,903,927,833	1,382,183,626
Cash paid for the acquisition of fixed assets, plant, and equipment, intangible assets, and other long-term assets	5,568,345	8,641,003
Cash paid for investments	4,700,500,000	1,230,987,671
Subtotal of cash outflows from investing activities	4,706,068,345	1,239,628,674
Net cash flow from investing activities	197,859,488	142,554,952
III. Cash Flows from Financing Activities:		
Cash received from borrowings	3,217,000,000	1,366,490,000
Subtotal of cash inflows from financing activities	3,217,000,000	1,366,490,000
Cash paid to repay debt	2,375,245,100	868,784,900
Cash paid for dividends, profits, or interest	287,247,220	834,487,779
Cash paid for other financing activities	1,505,542,147	132,438,661
Subtotal of cash outflows from financing activities	4,168,034,467	1,835,711,340
Net cash provided by financing activities	-951,034,467	-469,221,340
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	-535,134	-5,359,408
V. Net Increase in Cash and Cash Equivalents	-693,891,018	-396,344,888
Plus: Beginning balance of cash and cash equivalents	1,431,539,421	1,827,884,309
VI. Cash and cash equivalents at end of period	737,648,403	1,431,539,421

Legal Representative:

Head of Accounting:

Head of Accounting Department:

Consolidated Statement of Changes in Equity

Unit: Yuan

Item	2025									
	Equity attributable to the parent company								non-controlling interests	Total equity
	share capital	capital surplus	Less: Treasury stock	other comprehensive income	Special reserves	surplus reserve	retained earnings	Subtotal		
I. Balance at the end of the previous period	3,070,692,107	590,739,414		159,726,269	5,079,628	1,485,514,182	8,224,198,195	13,535,949,795	466,694,177	14,002,643,972
II. Beginning balance for the current period	3,070,692,107	590,739,414		159,726,269	5,079,628	1,485,514,182	8,224,198,195	13,535,949,795	466,694,177	14,002,643,972
III. Changes in the current period (decreases are indicated with a "-")			296,770,027	-8,909,361	1,223,282	49,200,046	-135,204,777	-390,460,837	-57,495,553	-447,956,390
(1) Total Comprehensive Income				-8,909,361			125,668,291	116,758,930	-20,334,152	96,424,778
(2) Capital Contributions and Reductions by Owners			296,770,027					-296,770,027		-296,770,027
1. Common Stock Issued to Owners										
2. Other			296,770,027					-296,770,027		-296,770,027
(3) Distribution of Profits						49,200,046	-260,873,068	-211,673,022	-37,161,401	-248,834,423
1. Transfer from the surplus reserve						49,200,046	-49,200,046			
2. Distributions to owners (or shareholders)							-211,673,022	-211,673,022	-37,161,401	-248,834,423
(4) Special Reserve					1,223,282			1,223,282		1,223,282
1. Allocation for the current period					7,946,664			7,946,664		7,946,664
2. Used during the period					6,723,382			6,723,382		6,723,382
IV. Balance at the end of the current period	3,070,692,107	590,739,414	296,770,027	150,816,908	6,302,910	1,534,714,228	8,088,993,418	13,145,488,958	409,198,624	13,554,687,582

Consolidated Statement of Changes in Equity

Unit: Yuan

Item	2024								
	Equity attributable to the parent company							non-controlling interests	Total Equity
	share capital	capital surplus	other comprehensive income	Special reserves	surplus reserve	retained earnings	Subtotal		
I. Balance at the end of the previous period	3,070,692,107	590,739,414	177,384,471	1,411,139	1,404,063,298	8,806,549,788	14,050,840,217	485,865,952	14,536,706,169
II. Beginning balance for the current period	3,070,692,107	590,739,414	177,384,471	1,411,139	1,404,063,298	8,806,549,788	14,050,840,217	485,865,952	14,536,706,169
III. Changes in the Current Period (decreases are indicated by a "-" sign)			-17,658,202	3,668,489	81,450,884	-582,351,593	-514,890,422	-19,171,775	-534,062,197
(1) Total comprehensive income			-17,658,202			266,772,318	249,114,116	-19,171,775	229,942,341
(2) Capital Contributions and Reductions by Owners									
1. Common Stock Issued to Owners									
2. Other									
(3) Profit Distribution					81,450,884	-849,123,911	-767,673,027		-767,673,027
1. Allocation to Surplus Reserve					81,450,884	-81,450,884			
2. Distribution to owners (or shareholders)						-767,673,027	-767,673,027		-767,673,027
(4) Special Reserve				3,668,489			3,668,489		3,668,489
1. Allocation for the current period				6,705,945			6,705,945		6,705,945
2. Usage for the current period				3,037,456			3,037,456		3,037,456
IV. Balance at the end of the current period	3,070,692,107	590,739,414	159,726,269	5,079,628	1,485,514,182	8,224,198,195	13,535,949,795	466,694,177	14,002,643,972

Legal Representative:

Head of Accounting:

Head of Accounting Department:

Statement of Changes in Equity of the Parent Company

Unit: Yuan

Item	2025					
	share capital	capital surplus	Less: Treasury Stock	surplus reserve	retained earnings	Total Equity
I. Balance at the end of the previous period	3,070,692,107	741,824,399		1,500,059,542	2,988,398,053	8,300,974,101
II. Beginning balance for the current period	3,070,692,107	741,824,399		1,500,059,542	2,988,398,053	8,300,974,101
III. Changes for the Period (decreases indicated by “-”)			296,770,027	49,200,046	231,127,389	-16,442,592
(1) Total Comprehensive Income					492,000,457	492,000,457
(2) Contributions and Drawings by Owners			296,770,027			-296,770,027
1. Common Stock Contributed by Owners						
2. Other			296,770,027			-296,770,027
(3) Distribution of Profits				49,200,046	-260,873,068	-211,673,022
1. Allocation to the surplus reserve				49,200,046	-49,200,046	
2. Distribution to owners (or shareholders)					-211,673,022	-211,673,022
(4) Internal transfers within equity						
(5) Special reserves						
(6) Other						
IV. Balance at the End of the Current Period	3,070,692,107	741,824,399	296,770,027	1,549,259,588	3,219,525,442	8,284,531,509

Statement of Changes in Equity of the Parent Company

Unit:Yuan

Item	2024				
	share capital	capital surplus	surplus reserve	retained earnings	Total Equity
I. Balance at the end of the previous period	3,070,692,107	741,824,399	1,418,608,658	3,023,013,128	8,254,138,292
II. Beginning balance for the current period	3,070,692,107	741,824,399	1,418,608,658	3,023,013,128	8,254,138,292
III. Changes for the Period (Decreases are indicated with a "-" sign)			81,450,884	-34,615,075	46,835,809
(1) Total Comprehensive Income				814,508,836	814,508,836
(2) Contributions to and reductions in equity					
(3) Profit Distribution			81,450,884	-849,123,911	-767,673,027
1. Allocation to the surplus reserve			81,450,884	-81,450,884	
2. Distribution to owners (or shareholders)				-767,673,027	-767,673,027
(4) Internal transfers within owners' equity					
(5) Special reserves					
(6) Other					
IV. Balance at the End of the Current Period	3,070,692,107	741,824,399	1,500,059,542	2,988,398,053	8,300,974,101

Legal Representative:

Head of Accounting:

Head of Accounting Department:

Notes to the Financial Statements

I. Company Profile

China Merchants Steam Navigation Company Ltd., Shenzhen Building Materials Industry Group Company, China North Industries Shenzhen Corp., and Guangdong International Trust and Investment Co. Ltd. jointly invested in the establishment of CSG Holding Co., Ltd., which was established in September 1984. The company is registered in Shenzhen, Guangdong Province, People ‘s Republic of China, and its headquarters are located in Shenzhen, Guangdong Province, People ‘s Republic of China. The Group publicly issued RMB ordinary shares (“A-shares”) and foreign investment shares (“B-shares”) in October 1991 and January 1992, respectively, and was listed on the Shenzhen Stock Exchange (“SZSE”) in February 1992. As of December 31, 2025, the Group’s total share capital was RMB 3,070,692,107, with a par value of RMB 1 per share.

The principal business operations of the Group and its subsidiaries (hereinafter collectively referred to as the “Group”) include: the production and sale of float glass, photovoltaic glass, special glass, architectural glass, energy-saving products, and glass-based energy products; the production and sale of polysilicon and solar modules; the production and sale of electronic glass and display devices; and the construction and operation of photovoltaic power plants.

These financial statements and the notes thereto were approved for issuance by the Group’s Board of Directors on April 24, 2026.

For details on the major subsidiaries included in the scope of consolidation for the current year, please refer to the notes.

II. Basis of Preparation of the Financial Statements

These financial statements have been prepared in accordance with the Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance, along with their application guidelines, interpretations, and other relevant provisions (collectively referred to as the “Chinese Accounting Standards for Business Enterprises”). In addition, the Group discloses relevant financial information in accordance with the China Securities Regulatory Commission’s “Rule No. 15 on Information Disclosure for Companies Issuing Securities—General Provisions for Financial Reports (Revised in 2023).”

These financial statements are presented on a going concern basis.

The Group’s accounting is based on the accrual basis. Except for certain financial instruments and investment properties, these financial statements are measured at historical cost. If an asset is impaired, an impairment allowance is recognized in accordance with relevant regulations.

III. Significant Accounting Policies and Estimates

The Group determines the depreciation of fixed assets, amortization of intangible assets, criteria for capitalizing research and development expenses, and revenue recognition policies based on the characteristics of its production and operations. For specific accounting policies, please refer to Notes 3.16, 3.20, 3.21, and 3.26.

1、 Statement of Compliance with Chinese Accounting Standards for Business Enterprises

These financial statements comply with the requirements of Chinese Accounting Standards for Business Enterprises and present a true and fair view of the Group's consolidated and separate financial position as of December 31, 2025, as well as the Group's and the Company's consolidated and separate results of operations and cash flows for the year ended December 31, 2025.

2、 Accounting Period

The Group's accounting period follows the calendar year, i.e., from January 1 to December 31 of each year.

3、 Operating Cycle

The Group's operating cycle is 12 months.

4、 Functional Currency

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

5、 Materiality Threshold Methodology and Basis for Selection

Item	Materiality Threshold
Significant individual accounts receivable for which an allowance for doubtful accounts is recognized	Accounts receivable where the amount of an individual item represents 5% or more of the consolidated accounts receivable balance
Significant individual accounts receivable for which an allowance for doubtful accounts is recognized	Items where the amount of a single other receivable accounts for 10% or more of the consolidated balance of other receivables
Significant Write-offs of Accounts Receivable/Other Receivables	Items whose impact on the Company's current period profit or loss represents 5% or more of the absolute value of the Company's audited net profit for the most recent fiscal year and whose absolute amount exceeds RMB 1 million
Significant construction in progress	Projected investment amount representing 5% or more of the most recent audited equity attributable to the parent company
Significant non-wholly-owned subsidiaries	Total assets of the subsidiary account for 5% or more of total consolidated assets

6、 Accounting treatment for business combinations under common control and those not under common control

(1) Business Combinations Under Common Control

For business combinations under common control, the assets and liabilities of the acquiree acquired by the acquirer in the combination are measured at the acquiree's carrying amount in the ultimate controlling party's consolidated financial statements as of the combination date. The difference between the book value of the merger consideration (or the total par value of the shares issued) and the book value of the net assets acquired in the merger is recorded in capital surplus (share capital premium). If

capital surplus (share capital premium) is insufficient to absorb the difference, the remaining amount is recorded in retained earnings.

Business Combinations Under Common Control Achieved Through Multiple Transactions

The assets and liabilities of the acquiree acquired by the acquirer in the business combination are measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party as of the combination date; the difference between the sum of the carrying amount of the investment held prior to the combination and the carrying amount of the new consideration paid on the combination date, and the carrying amount of the net assets acquired in the combination, is recognized in capital surplus (share capital premium). If capital surplus is insufficient to absorb the difference, the excess is recognized in retained earnings. For long-term equity investments held by the acquirer prior to obtaining control of the acquiree, any gains or losses, other comprehensive income, and changes in other equity recognized between the later of the date the original equity interest was acquired and the date the acquirer and the acquiree came under the same ultimate control, and the merger date, shall be offset against retained earnings at the beginning of the comparative reporting period or against net income for the current period, respectively.

(2) Business Combinations Not Under Common Control

For business combinations not under common control, the cost of the combination is the fair value of the assets given, liabilities incurred or assumed, and equity securities issued to acquire control of the acquiree as of the acquisition date. As of the acquisition date, the acquiree's assets, liabilities, and contingent liabilities are recognized at fair value.

Any excess of the acquisition cost over the acquirer's share of the fair value of the acquiree's identifiable net assets is recognized as goodwill and subsequently measured at cost less accumulated impairment losses; any shortfall of the acquisition cost relative to the acquirer's share of the fair value of the acquiree's identifiable net assets is recognized in profit or loss after verification.

Business Combinations Under Non-Common Control Achieved Through Multiple Transactions

The cost of the combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the equity interest in the acquiree held prior to the acquisition date. The equity interest in the acquiree held prior to the acquisition date is remeasured at its fair value at the acquisition date, and the difference between the fair value and the carrying amount is recognized in investment income for the current period; Equity interests in the acquiree held prior to the acquisition date that relate to other comprehensive income and changes in other equity are reclassified to profit or loss for the acquisition date, except for other comprehensive income arising from changes in the net liability or net asset of a defined benefit plan of the investee due to remeasurement, and other comprehensive income related to non-trading equity instrument investments originally designated as measured at fair value with changes recognized in other comprehensive income.

(3) Treatment of Transaction Costs in Business Combinations

Intermediary fees, such as those for audit, legal services, and valuation and advisory services, as well as other related general and administrative expenses incurred in connection with a business combination, are recognized in profit or loss in the period in which they are incurred. Transaction costs

associated with equity or debt securities issued as consideration for a business combination are included in the initial recognition amount of the equity or debt securities.

7、 Criteria for Determining Control and Methods for Preparing Consolidated Financial Statements

(1) Criteria for Determining Control

The scope of consolidation for consolidated financial statements is determined on the basis of control. Control means that the Group has the power over the investee, is entitled to variable returns by participating in the investee's activities, and has the ability to use its power over the investee to affect the amount of those returns. The Group reassesses control whenever changes in relevant facts and circumstances affect the factors involved in the definition of control.

In determining whether to include a structured entity in the scope of consolidation, the Group assesses whether it controls the structured entity by considering all relevant facts and circumstances, including evaluating the purpose and design of the structured entity, identifying the nature of variable returns, and determining whether it bears some or all of the variability in returns through participation in the entity's activities.

(2) Methodology for Preparing Consolidated Financial Statements

The consolidated financial statements are prepared by the Group based on the financial statements of the Group and its subsidiaries, supplemented by other relevant information. In preparing the consolidated financial statements, the accounting policies and accounting periods of the Group and its subsidiaries are aligned, and significant intercompany transactions and balances are eliminated.

Subsidiaries and businesses acquired during the reporting period through business combinations under common control are treated as if they had been included in the Group's scope of consolidation from the date they came under the control of the common ultimate controlling party. Their operating results and cash flows from that date are included in the consolidated statement of comprehensive income and the consolidated statement of cash flows, respectively.

For subsidiaries and businesses acquired during the reporting period through business combinations not under common control, the revenue, expenses, and profit of such subsidiaries and businesses from the acquisition date to the end of the reporting period are included in the consolidated income statement, and their cash flows are included in the consolidated cash flow statement.

The portion of a subsidiary's equity not owned by the Group is presented separately as non-controlling interests under the equity section of the consolidated balance sheet; the share of the subsidiary's net profit or loss for the period attributable to non-controlling interests is presented as "Profit or Loss Attributable to Non-Controlling Interests" under the net profit item in the consolidated income statement. To the extent that the share of the subsidiary's loss borne by minority shareholders exceeds the minority shareholders' share of the subsidiary's opening equity, the excess is still offset against non-controlling interests.

(3) Acquisition of Minority Interests in a Subsidiary

The difference between the cost of a long-term equity investment newly acquired through the purchase of a minority interest and the share of the subsidiary's net assets calculated continuously from the

acquisition date or the date of consolidation in accordance with the new ownership percentage, as well as the difference between the proceeds received from the partial disposal of an equity investment in a subsidiary without losing control and the share of the subsidiary's net assets calculated continuously from the acquisition date or the date of consolidation corresponding to the long-term equity investment being disposed of, shall both be recorded in the consolidated balance sheet under capital surplus(Share Capital Premium/Capital Surplus); if the capital surplus is insufficient to offset the difference, retained earnings are adjusted.

(4) Treatment of Loss of Control over a Subsidiary

If control over a subsidiary is lost due to the disposal of a portion of the equity investment or for other reasons, the remaining equity interest is remeasured at its fair value as of the date control is lost; the sum of the consideration received from the disposal and the fair value of the remaining equity interest, less the sum of the share of the former subsidiary's net assets (calculated from the acquisition date based on the original ownership percentage) and goodwill, is recognized as investment income in the period in which control is lost.

Other comprehensive income related to the equity investment in the former subsidiary shall be accounted for at the time of loss of control on the same basis as if the former subsidiary had directly disposed of the relevant assets or liabilities; all other changes in equity under the equity method related to the former subsidiary shall be reclassified to profit or loss in the period of loss of control.

8、 Criteria for Determining Cash and Cash Equivalents

Cash refers to cash on hand and deposits available for immediate payment. Cash equivalents refer to investments held by the Group that are short-term, highly liquid, readily convertible into a known amount of cash, and subject to an insignificant risk of changes in value.

9、 Foreign Currency Transactions and Translation of Financial Statements

(1) Foreign Currency Transactions

When the Group engages in foreign currency transactions, they are translated into the functional currency at the spot exchange rate prevailing on the transaction date.

At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate prevailing on the balance sheet date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or the previous balance sheet date are recognized in profit or loss for the current period; For non-monetary foreign currency items measured at historical cost, the spot exchange rate on the transaction date is still used for translation; for non-monetary foreign currency items measured at fair value, the spot exchange rate on the date the fair value was determined is used for translation. The difference between the translated amount in the functional currency and the original amount in the functional currency is recognized in profit or loss or other comprehensive income for the period, depending on the nature of the non-monetary item.

(2) Translation of Foreign Currency Financial Statements

At the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities in the balance sheet are translated using the spot exchange rate on the balance sheet date. For equity items, all items except “retained earnings” are translated using the spot exchange rate on the transaction date.

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

All items in the cash flow statement are translated using the spot exchange rate on the date the cash flow occurred. The effect of exchange rate changes on cash is treated as an adjusting item and is presented separately in the cash flow statement under the heading “Effect of exchange rate changes on cash and cash equivalents.”

Differences arising from the translation of financial statements are recognized in the “Other Comprehensive Income” line item under shareholders’ equity in the balance sheet.

Upon the disposal of a foreign operation and the loss of control, all foreign currency translation differences related to that foreign operation, which are presented under shareholders’ equity in the balance sheet, are transferred to profit or loss for the period of disposal, either in full or in proportion to the disposal of the foreign operation.

10、 Financial Instruments

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

(1) Recognition and Derecognition of Financial Instruments

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

A financial asset is derecognized when one of the following conditions is met:

- ① The contractual rights to receive cash flows from the financial asset have terminated;
- ② The financial asset has been transferred and meets the derecognition criteria for a transfer of a financial asset described below.

A financial liability is derecognized in whole or in part when the present obligation under the liability is discharged in whole or in part. If the Group (the debtor) enters into an agreement with a creditor to replace an existing financial liability with a new financial liability, and the terms of the new financial liability differ substantially from those of the existing financial liability, the existing financial liability is derecognized and the new financial liability is recognized simultaneously.

For the purchase or sale of financial assets in the ordinary course of business, recognition and derecognition are accounted for on the trade date.

(2) Classification and Measurement of Financial Assets

Upon initial recognition, the Group classifies financial assets into the following three categories based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets: financial assets measured at amortized cost, financial assets measured at fair value with changes recognized in other comprehensive income, and financial assets measured at fair value with changes recognized in profit or loss.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value with changes recognized in profit or loss, related transaction costs are recognized directly in profit or loss; for financial assets in other categories, related transaction costs are included in the initial recognition amount. For receivables arising from the sale of products or the provision of services that do not contain or do not take into account a significant financing component, the Group uses the amount of consideration it expects to be entitled to receive as the initial recognition amount.

Financial Assets Measured at Amortized Cost

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

- The Group's business model for managing the financial asset is to collect the contractual cash flows;
- The contractual terms of the financial asset provide that cash flows arising on specific dates consist solely of payments of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost using the effective interest method. Gains or losses arising from financial assets measured at amortized cost that are not part of any hedging relationship are recognized in profit or loss upon derecognition, amortization using the effective interest method, or recognition of an impairment loss.

Financial assets measured at fair value with changes recognized in other comprehensive income

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

- The Group's business model for managing the financial asset is aimed at both collecting contractual cash flows and selling the financial asset;
- The contractual terms of the financial asset provide that cash flows arising on specific dates consist solely of payments of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains, and foreign exchange gains or losses are recognized in profit or loss; other gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to profit or loss.

Financial Assets Measured at Fair Value with Changes Recognized in Profit or Loss

Except for the financial assets measured at amortized cost and those measured at fair value with changes recognized in other comprehensive income described above, the Group classifies all other financial assets as financial assets measured at fair value with changes recognized in profit or loss. Upon initial recognition, to eliminate or significantly reduce accounting mismatches, the Group irrevocably designates a portion of financial assets that would otherwise be measured at amortized cost or at fair value with changes recognized in other comprehensive income as financial assets measured at fair value with changes recognized in profit or loss.

Subsequent to initial recognition, such financial assets are measured at fair value, and any resulting gains or losses (including interest and dividend income) are recognized in profit or loss, unless the financial asset is part of a hedging relationship.

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

The Group assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date consist solely of payments of principal and interest based on the outstanding principal amount. Here, principal refers to the fair value of the financial asset at initial recognition; interest includes compensation for the time value of money, credit risk associated with the outstanding principal amount for a specific period, and other fundamental lending risks, costs, and profits. In addition, the Group assesses the contractual terms that could result in changes to the timing or amount of the financial asset's contractual cash flows to determine whether they meet the requirements of the aforementioned contractual cash flow characteristics.

Financial assets are reclassified only when the Group changes its business model for managing financial assets, and all affected financial assets are reclassified on the first day of the first reporting period following the change in business model; otherwise, financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value with changes recognized in profit or loss, related transaction costs are recognized directly in profit or loss; for other categories of financial assets, related transaction costs are included in the initial recognition amount. For accounts receivable arising from the sale of products or the provision of services that do not contain or take into account a significant financing component, the Group uses the amount of consideration to which it expects to be entitled as the initial recognition amount.

(3) Classification and Measurement of Financial Liabilities

The Group's financial liabilities are classified upon initial recognition as: financial liabilities measured at fair value with changes recognized in profit or loss, and financial liabilities measured at amortized cost. For financial liabilities not classified as those measured at fair value with changes recognized in profit or loss, related transaction costs are included in their initial recognition amount.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities and financial liabilities designated upon initial recognition as measured at fair value through profit or loss. For such financial liabilities, subsequent measurement is based on fair value, and gains or losses arising from changes in fair value, as well as dividends and interest expenses related to these financial liabilities, are recognized in profit or loss.

Financial liabilities measured at amortized cost

Other financial liabilities are measured at amortized cost using the effective interest method, and gains or losses arising from derecognition or amortization are recognized in profit or loss.

Distinction Between Financial Liabilities and Equity Instruments

A financial liability is a liability that meets one of the following conditions:

- ① A contractual obligation to deliver cash or other financial assets to another party.
- ② A contractual obligation to exchange financial assets or financial liabilities with another party under potential adverse conditions.
- ③ A non-derivative contract that is required or permitted to be settled in the entity's own equity instruments, and under which the entity is to deliver a variable number of its own equity instruments.
- ④ A derivative contract that is to be settled, or may be settled, in the entity's own equity instruments, except for derivative contracts that exchange a fixed number of the entity's own equity instruments for a fixed amount of cash or other financial assets.

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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

If a financial instrument is required or permitted to be settled in the Group's own equity instruments, it is necessary to consider whether the Group's own equity instruments used to settle the instrument serve as a substitute for cash or other financial assets, or whether they are intended to give the holder of the instrument a residual interest in the assets of the issuer after deducting all liabilities. If the former, the instrument is a financial liability of the Group; if the latter, the instrument is an equity instrument of the Group.

(4) Fair Value of Financial Instruments

The methods for determining the fair value of financial assets and financial liabilities are described in Note 3.11.

(5) Impairment of Financial Assets

The Group applies impairment accounting based on expected credit losses and recognizes an allowance for credit impairment losses for the following items:

- Financial assets measured at amortized cost;
- Receivables and debt investments measured at fair value with changes recognized in other comprehensive income;
- Contract assets as defined in Chinese Accounting Standards for Business Enterprises No. 14—Revenue;
- Lease receivables;
- Financial guarantee contracts (excluding those measured at fair value with changes recognized in profit or loss, or those arising from the transfer of financial assets that do not meet the criteria for derecognition or from continued involvement in the transferred financial assets).

Measurement of Expected Credit Losses

Expected credit loss refers to the weighted average of credit losses on financial instruments, weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows due under the contract, discounted at the original effective interest rate, and all expected cash flows to be received, i.e., the present value of the total cash shortfall.

The Group recognizes expected credit losses by calculating the probability-weighted present value of the difference between the contractual cash flows due and the expected cash flows to be received, weighted by the risk of default, based on reasonable and supportable information regarding past events, current conditions, and forecasts of future economic conditions.

The Group measures expected credit losses separately for financial instruments in different stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, it is classified in Stage 1, and the Group measures the loss allowance based on the expected credit loss over the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition but no credit impairment losses have yet occurred, it is classified in Stage 2, and the Group measures the loss allowance based on the expected credit loss over the entire life of the instrument; Financial instruments for which credit impairment losses have occurred since initial recognition are classified in Stage 3, and the Group measures the loss allowance based on the expected credit losses over the instrument's entire remaining life.

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

Expected credit losses over the entire life refer to the expected credit losses resulting from all possible default events that may occur over the entire expected life of the financial instrument. Expected credit losses over the next 12 months refer to the expected credit losses resulting from default events that may occur within 12 months after the balance sheet date (or within the expected life of the financial instrument if it is less than 12 months), and constitute a portion of the expected credit losses over the entire life.

When measuring expected credit losses, the Group considers the longest contract term during which the entity is exposed to credit risk (including renewal options).

For financial instruments in Stage 1 and Stage 2, as well as those with lower credit risk, the Group calculates interest income based on their carrying amounts before impairment and the effective interest rate. For financial instruments in Stage 3, the Group calculates interest income based on their amortized cost (carrying amount less accumulated impairment losses) and the effective interest rate.

For receivables such as notes receivable, accounts receivable, receivables financing, other receivables, and contract assets, if a customer's credit risk profile differs significantly from that of other customers in the portfolio, or if there is a significant change in the customer's credit risk profile, the Group recognizes an individual allowance for doubtful accounts for that receivable. Except for receivables for which an individual allowance for doubtful accounts has been recognized, the Group classifies receivables into groups based on credit risk characteristics and calculates the allowance for doubtful accounts on a group basis.

Notes receivable, accounts receivable, and contract assets

For notes receivable and accounts receivable, regardless of whether a significant financing component exists, the Group always measures its loss allowance based on an amount equivalent to the expected credit losses over the entire remaining life of the asset.

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

A. Notes Receivable

- Notes Receivable Portfolio 1: Banker's Acceptances
- Notes Receivable Portfolio 2: Commercially Accepted Bills

B. Accounts Receivable

- Accounts Receivable Pool 1: Non-related-party customers
- Accounts Receivable Group 2: Related-Party Customers

For notes receivable and contract assets classified into pools, the Group calculates expected credit losses based on historical credit loss experience, combined with current conditions and forecasts of future economic conditions, using default risk exposure and lifetime expected credit loss rates.

For accounts receivable classified into pools, the Group calculates expected credit losses by preparing a cross-reference table of accounts receivable aging/days past due against the lifetime expected credit loss rate, based on historical credit loss experience, current conditions, and forecasts of future economic conditions. The aging of accounts receivable is calculated from the date of recognition, and days past due are calculated from the date the credit period expires.

Other Receivables

The Group classifies other receivables into several pools based on credit risk characteristics and calculates expected credit losses on a pool basis. The basis for determining the pools is as follows:

- Other Receivables Portfolio 1: Receivables from Non-Related Parties
- Other Receivables Portfolio 2: Receivables from Related Parties

For other receivables classified into pools, the Group calculates expected credit losses using default risk exposure and expected credit loss rates over the next 12 months or the entire life of the receivables. For other receivables classified into pools based on aging, the aging period is calculated from the date of recognition.

Debt Investments and Other Debt Investments

For debt investments and other debt investments, the Group calculates expected credit losses based on the nature of the investment, the type of counterparty, and the type of exposure, using default risk exposure and expected credit loss rates over the next 12 months or the entire life of the investment.

Assessment of a Significant Increase in Credit Risk

The Group assesses whether credit risk has increased significantly since initial recognition by comparing the risk of default of a financial instrument at the balance sheet date with the risk of default at the date of initial recognition, to determine the relative change in the risk of default over the expected life of the financial instrument.

In determining whether credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information, including forward-looking information, that is available without undue additional cost or effort. The information considered by the Group includes:

- instances where the debtor has failed to pay principal and interest by the contractual due date;
- Significant deterioration in the external or internal credit ratings (if any) of the financial instrument, whether actual or expected;
- a significant deterioration in the debtor's operating results, whether actual or expected;
- Existing or anticipated changes in the technological, market, economic, or legal environment that would have a material adverse effect on the debtor's ability to repay the Group.

Depending on the nature of the financial instrument, the Group assesses whether credit risk has increased significantly on an individual financial instrument basis or on a portfolio basis. When assessing on a portfolio basis, the Group may classify financial instruments based on common credit risk characteristics, such as delinquency information and credit risk ratings.

If a financial instrument is past due by more than 30 days, the Group determines that the credit risk of the financial instrument has increased significantly.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay the full amount owed to the Group, and this assessment does not consider recourse actions taken by the Group, such as the realization of collateral (if held);
- The financial asset is past due by more than 90 days.

Financial assets that are credit-impaired

At each balance sheet date, the Group assesses whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income have become credit-impaired. A financial asset becomes credit-impaired when one or more events occur that have an adverse effect on the expected future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes the following observable information:

- Significant financial difficulties experienced by the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- The Group grants the debtor concessions that it would not otherwise grant, based on economic or contractual considerations related to the debtor's financial difficulties;
- It is highly probable that the debtor will enter bankruptcy or undergo other financial restructuring;
- the disappearance of an active market for the financial asset due to the financial difficulties of the issuer or debtor.

Presentation of the Allowance for Expected Credit Losses

To reflect changes in the credit risk of financial instruments since initial recognition, the Group remeasures expected credit losses at each balance sheet date. Any increase or reversal in the loss allowance resulting therefrom shall be recognized as credit impairment losses or gains in profit or loss for the current period. For financial assets measured at amortized cost, the loss allowance reduces the carrying amount of the financial asset as presented in the balance sheet; for debt investments measured at fair value with changes recognized in other comprehensive income, the Group recognizes the loss allowance in other comprehensive income and does not reduce the carrying amount of the financial asset.

Write-off

If the Group no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the carrying amount of that financial asset is written down directly. Such a write-down constitutes the derecognition of the relevant financial asset. This situation typically arises when the Group determines that the debtor has no assets or sources of income capable of generating sufficient cash flows to repay the amount written down. However, in accordance with the Group's procedures for collecting past-due amounts, a written-down financial asset may still be subject to enforcement actions.

If a written-down financial asset is subsequently recovered, the reversal of the impairment loss is recognized in profit or loss for the period in which the recovery occurs.

(6) Transfer of Financial Assets

A transfer of a financial asset is the assignment or delivery of a financial asset to a party other than the issuer of the financial asset (the transferee).

If the Group has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset is derecognized; if the Group has retained substantially all the risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

If the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, the following treatments apply: if control over the financial asset has been relinquished, the financial asset is derecognized and the resulting assets and liabilities are recognized; if control over the financial asset has not been relinquished, the financial asset is recognized to the extent of the Group's continuing involvement in the transferred financial asset, and the related liability is recognized accordingly.

(7) Offsetting of Financial Assets and Financial Liabilities

When the Group has a legal right to offset recognized financial assets and financial liabilities, and is currently able to exercise that right, and the Group intends to settle on a net basis or to realize the financial asset and settle the financial liability simultaneously, the financial assets and financial liabilities are presented in the balance sheet at their net amount after offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other.

11、 Fair Value Measurement

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

The Group measures relevant assets or liabilities at fair value, assuming that the orderly transaction to sell the asset or transfer the liability takes place in the principal market for the relevant asset or liability; if no principal market exists, the Group assumes that the transaction takes place in the most advantageous market for the relevant asset or liability. The principal market (or most advantageous market) is the trading market to which the Group has access on the measurement date. The Group uses the assumptions that a market participant would use when pricing the asset or liability to maximize its economic benefit.

For financial assets or financial liabilities with active markets, the Group determines their fair value using quoted prices in active markets. For financial instruments without active markets, the Group determines their fair value using valuation techniques.

When measuring non-financial assets at fair value, the Group considers the ability of market participants to generate economic benefits by using the asset for its best use, or by selling the asset to other market participants who can use it for its best use.

The Group uses valuation techniques that are appropriate in the current circumstances and supported by sufficient available data and other information, giving priority to relevant observable inputs; unobservable inputs are used only when observable inputs are unavailable or it is impractical to obtain them.

Assets and liabilities measured or disclosed at fair value in the financial statements are classified into fair value hierarchies based on the lowest level of inputs that is significant to the fair value measurement as a whole: Level 1 inputs are unadjusted quotes for identical assets or liabilities available in active markets on the measurement date; Level 2 inputs are directly or indirectly observable inputs for the

relevant assets or liabilities other than Level 1 inputs; Level 3 inputs are unobservable inputs for the relevant asset or liability.

At each balance sheet date, the Group reassesses assets and liabilities recognized in the financial statements that are measured at fair value on a continuing basis to determine whether there have been any transfers between fair value measurement levels.

12、 inventories

(1) Classification of Inventories

The Group's inventories are classified into raw materials, work in progress, finished goods, and consumables.

(2) Valuation method for issued inventories

The Group's inventories are measured at actual cost upon acquisition. Raw materials, finished goods, and other inventories are valued using the weighted average method upon issuance.

(3) Basis for Determining and Method of Accrual of the Provision for Inventory Write-Down

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than cost, a provision for inventory write-down is recognized.

Net realizable value is the estimated selling price of the inventories less the estimated costs to completion, estimated selling expenses, and related taxes. In determining the net realizable value of inventories, the Group relies on objective evidence and considers the purpose for which the inventories are held, as well as the effects of events occurring after the balance sheet date.

The Group generally recognizes provisions for inventory write-down on an item-by-item basis. For inventories consisting of a large number of items with low unit prices, provisions for inventory write-down are recognized by inventory category.

At the balance sheet date, if the factors that previously caused the inventories to be written down no longer exist, the provision for inventory write-down is reversed up to the amount previously recognized.

(4) Inventories Counting System

The Group adopts a perpetual inventory system for inventories.

13、 assets held for sale

The Company classifies a non-current asset or disposal group as assets held for sale if it intends to recover its carrying amount principally through a sale (including a non-monetary asset exchange with commercial substance; the same applies hereinafter) rather than through continuing use. The specific criteria are that all of the following conditions are met: A non-current asset or disposal group is available for immediate sale in its present condition, based on the practice of selling such assets or disposal groups in similar transactions; The Company has made a resolution regarding the sale plan and has obtained a firm purchase commitment; The sale is expected to be completed within one year. A disposal group refers to a group of assets to be disposed of together as a whole through sale or other means in a

single transaction, along with liabilities directly associated with those assets that are transferred in that transaction. If the asset group or combination of asset groups to which the disposal group belongs has allocated goodwill acquired in a business combination in accordance with Chinese Accounting Standards for Business Enterprises No. 8—Impairment of Assets, the disposal group shall include the goodwill allocated to it.

When the Company initially measures or remeasures non-current assets classified as assets held for sale or disposal groups at the balance sheet date, and their carrying amount exceeds the net amount of fair value less costs to sell, the carrying amount shall be written down to the net amount of fair value less costs to sell. The amount of the write-down shall be recognized as asset impairment losses, included in current profit or loss, and an impairment allowance for assets held for sale shall be provided simultaneously. For a disposal group, the recognized asset impairment losses are first applied against the carrying amount of goodwill within the disposal group, and then allocated proportionally to reduce the carrying amounts of the non-current assets within the disposal group that are subject to the measurement requirements of Chinese Accounting Standards for Business Enterprises No. 42—Assets Held for Sale, Disposal Groups, and Discontinued Operations (hereinafter referred to as the “Held-for-Sale Standard”). If the net fair value of a disposal group held for sale, net of selling expenses, increases at a subsequent balance sheet date, any previously written-down amounts shall be reversed and reclassified within the asset impairment losses recognized for non-current assets that were measured in accordance with the Holding for Sale Standard after being classified as assets held for sale. The amount of the reversal shall be recognized in profit or loss for the current period, and the carrying amounts of such non-current assets (excluding goodwill) within the disposal group shall be increased proportionately based on their respective carrying amounts; The carrying amount of goodwill that has been written down, as well as asset impairment losses on non-current assets measured in accordance with the held-for-sale standard that were recognized prior to classification as assets held for sale, shall not be reversed.

Non-current assets held for sale or non-current assets in a disposal group are not subject to depreciation or amortization; interest and other expenses on liabilities in a disposal group held for sale continue to be recognized.

When a non-current asset or disposal group no longer meets the criteria for classification as held for sale, the Company ceases to classify it as held for sale or removes the non-current asset from the disposal group held for sale, and measures it at the lower of: (1) the carrying amount prior to classification as held for sale, adjusted for depreciation, amortization, or impairment that would have been recognized had it not been classified as held for sale; (2) the recoverable amount.

14、 long-term equity investment

Long-term equity investments include equity investments in subsidiaries, joint ventures, and associates. An investee is classified as an associate of the Group if the Group is able to exercise significant influence over the investee.

(1) Determination of Initial Investment Cost

Long-term equity investments arising from business combinations: For long-term equity investments acquired in a business combination under common control, the investment cost is the share of the book value of the acquiree’s equity in the ultimate controlling party’s consolidated financial statements as of

the combination date; for long-term equity investments acquired in a business combination not under common control, the investment cost is the cost of the combination.

For long-term equity investments acquired by other means: Long-term equity investments acquired for cash are recognized at the purchase price actually paid as the initial investment cost; long-term equity investments acquired through the issuance of equity securities are recognized at the fair value of the equity securities issued as the initial investment cost.

(2) Subsequent Measurement and Profit or Loss Recognition

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

For long-term equity investments accounted for using the cost method, cash dividends or profits declared by the investee are recognized as investment income and included in current period profit or loss, except for declared but undistributed cash dividends or profits included in the actual purchase price or consideration paid at the time of acquisition.

For long-term equity investments accounted for using the equity method, if the initial investment cost exceeds the investor's share of the fair value of the investee's identifiable net assets at the time of investment, the investment cost is not adjusted; if the initial investment cost is less than the investor's share of the fair value of the investee's identifiable net assets at the time of investment, the carrying amount of the long-term equity investment is adjusted, and the difference is recognized in profit or loss for the period of the investment.

When accounting under the equity method, investment income and other comprehensive income are recognized based on the investor's share of the investee's net profit or loss and other comprehensive income, respectively, while simultaneously adjusting the carrying amount of the long-term equity investment; the portion attributable to the investor is calculated based on the profits or cash dividends declared by the investee, and the carrying amount of the long-term equity investment is reduced accordingly; For changes in the investee's equity other than net profit or loss, other comprehensive income, and profit distributions, the carrying amount of the long-term equity investment is adjusted and the amount is recognized in capital surplus (other capital surplus). When recognizing the share of the investee's net profit or loss, the amount is determined based on the fair value of the investee's identifiable assets at the time of acquisition, and is recognized after adjusting the investee's net profit in accordance with the Group's accounting policies and the accounting period.

Where, due to additional investments or other reasons, the Group is able to exert significant influence over the investee or exercise joint control but does not constitute control, the initial investment cost for the transition to the equity method is determined as the sum of the fair value of the original equity interest and the cost of the additional investment. If the original equity interest was classified as a non-trading equity instrument investment measured at fair value with changes recognized in other comprehensive income, the cumulative fair value changes previously recognized in other comprehensive income are transferred to retained earnings upon the change to the equity method.

If joint control or significant influence over the investee is lost due to the disposal of a portion of the equity investment or other reasons, the remaining equity interest after the disposal shall be accounted for in accordance with Chinese Accounting Standards for Business Enterprises No. 22—Recognition

and Measurement of Financial Instruments as of the date joint control or significant influence is lost, and the difference between fair value and carrying amount shall be recognized in profit or loss for the current period. Other comprehensive income previously recognized for the equity investment under the equity method shall be accounted for on the same basis as the direct disposal of assets or liabilities by the investee when the equity method is discontinued; all other changes in equity related to the original equity investment shall be transferred to profit or loss for the current period.

If control over the investee is lost due to the disposal of a portion of the equity investment or other reasons, and the remaining equity interest after the disposal is capable of exercising joint control or significant influence over the investee, the investment shall be accounted for using the equity method, and the remaining equity interest shall be adjusted as if it had been accounted for using the equity method from the date of acquisition; If the remaining equity interest after the disposal cannot exercise joint control over or exert significant influence on the investee, accounting treatment shall be conducted in accordance with the relevant provisions of Chinese Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments, and the difference between its fair value and carrying amount as of the date of loss of control shall be recognized in profit or loss for the current period.

Where the Group's ownership interest decreases due to a capital increase by other investors, resulting in the loss of control but retaining the ability to exercise joint control or exert significant influence over the investee, the Group shall recognize its share of the increase in the investee's net assets arising from the capital increase in proportion to its new ownership interest; the difference between this amount and the original carrying amount of the long-term equity investment corresponding to the decreased ownership interest shall be recognized in profit or loss for the current period; Subsequently, adjustments are made as if the investment had been accounted for using the equity method from the date of acquisition, based on the new ownership percentage.

Unrealized gains or losses arising from internal transactions between the Group and its associates or joint ventures are recognized as investment gains or losses on an offsetting basis, calculated in proportion to the Group's ownership interest. However, unrealized losses arising from internal transactions between the Group and an investee that constitute asset impairment losses shall not be offset.

(3) Basis for determining joint control or significant influence over an investee

Joint control refers to the shared control over an arrangement pursuant to relevant agreements, and decisions regarding the arrangement's activities must be made with the unanimous consent of the parties sharing control. In determining whether joint control exists, one must first determine whether all parties or a combination of parties collectively control the arrangement, and second, whether decisions regarding the arrangement's activities must be made with the unanimous consent of the parties collectively controlling the arrangement. If all participants or a group of participants must act in concert to decide on the activities of an arrangement, then all participants or that group of participants are deemed to collectively control the arrangement; if there are two or more groups of participants capable of collectively controlling an arrangement, this does not constitute joint control. Protective rights are not considered when determining whether joint control exists.

Significant influence refers to the investor's power to participate in the decision-making regarding the investee's financial and operating policies, but without the ability to control or jointly control the

formulation of those policies with other parties. In determining whether significant influence can be exercised over an investee, consideration is given to the voting shares held directly or indirectly by the investor in the investee, as well as the impact of current exercisable contingent voting rights held by the investor and other parties, assuming such rights are converted into equity interests in the investee. This includes the impact of currently convertible warrants, stock options, and convertible bonds issued by the investee.

When the Group directly or indirectly through subsidiaries holds 20% (inclusive) or more but less than 50% of the investee's voting shares, it is generally considered to have significant influence over the investee, unless there is clear evidence indicating that, under such circumstances, the Group cannot participate in the investee's production and operational decision-making and thus does not exert significant influence; When the Group holds 20% (exclusive) or less of the investee's voting shares, it is generally not considered to have significant influence over the investee, unless there is clear evidence indicating that, under such circumstances, the Group is able to participate in the investee's production and operational decisions and thus exerts significant influence.

(4) Impairment Testing Methods and Provision for Impairment

For investments in subsidiaries, associates, and joint ventures, the method for recognizing asset impairment is described in Note 3.22.

15、 investment properties

Investment properties refer to real estate held to earn rental income or for capital appreciation, or for both purposes. The Group's investment properties include leased land use rights, land use rights held for appreciation and subsequent sale, and leased buildings.

There is an active real estate market in the locations where the Group's investment properties are situated, and the Group is able to obtain market prices and other relevant information for comparable or similar properties from the real estate market, thereby enabling a reasonable estimation of the fair value of the investment properties. Consequently, the Group uses the fair value model for the subsequent measurement of investment properties, and changes in fair value are recognized in profit or loss for the current period.

When determining the fair value of investment properties, the Group refers to the current market prices of comparable or similar properties in an active market; if current market prices for comparable or similar properties are not available, the Group refers to the most recent transaction prices of comparable or similar properties in an active market and considers factors such as transaction circumstances, transaction dates, and location to make a reasonable estimate of the fair value of the investment properties; or determines its fair value based on the present value of expected future rental income and related cash flows.

In rare cases, if there is evidence that the fair value of an investment property cannot be reliably determined on a continuous basis at the time the Group initially acquires a non-under-construction investment property (or when an existing property first becomes an investment property following the completion of construction or development activities or a change in use), the investment property is measured using the cost model until disposal, and no residual value is assumed.

The gain on the disposal of investment properties through sale, transfer, retirement, or destruction, net of their carrying amounts and related taxes, is recognized in profit or loss for the period.

16、 fixed assets

(1) Criteria for Recognition of Fixed Assets

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

Fixed assets are recognized only when it is probable that the economic benefits associated with the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The Group's fixed assets are initially measured at actual cost at the time of acquisition.

Subsequent expenditures related to fixed assets are included in the cost of the fixed assets when it is probable that the associated economic benefits will flow to the Group and the cost can be measured reliably; routine repair costs for fixed assets that do not meet the criteria for capitalizing subsequent expenditures are recognized in profit or loss for the current period or included in the cost of the relevant asset when incurred, based on the beneficiary. For the replaced portion, its carrying amount is derecognized.

(2) Depreciation Methods for Various Fixed Assets

The Group uses the straight-line method to calculate depreciation. Depreciation begins when fixed assets are ready for their intended use and ceases upon derecognition or when they are classified as non-current assets held for sale. Excluding impairment provisions, the Group determines the annual depreciation rates for various categories of fixed assets based on asset class, estimated useful life, and estimated residual value as follows:

Category	Useful Life (Years)	Residual Value Rate (%)	Annual Depreciation Rate (%)
Buildings and Structures	20–35	5	4.75–2.71
Machinery and equipment	8–20	5	11.88–4.75
Transportation and Other	5–8	-	20–12.50

For fixed assets for which impairment reserves have been recognized, the depreciation rate shall be determined by deducting the cumulative amount of impairment reserves already recognized.

- (3) For the impairment testing methods and the method for recognizing impairment reserves for fixed assets, please refer to Note 3, 22.
- (4) At the end of each fiscal year, the Group reviews the useful lives, estimated net salvage values, and depreciation methods of its fixed assets.

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

(5) Disposal of Fixed Assets

When a fixed asset is disposed of, or when it is no longer expected to generate economic benefits through use or disposal, the Group derecognizes the fixed asset. The proceeds from the sale, transfer, scrapping, or destruction of a fixed asset, net of its carrying amount and related taxes, are recognized in profit or loss for the current period.

17、 Construction in progress

The Group's cost of construction in progress is determined based on actual project expenditures, including all necessary project expenditures incurred during the construction period, borrowing costs to be capitalized prior to the asset reaching its intended usable state, and other related expenses.

Construction in progress is transferred to fixed assets when it reaches its intended usable state. The criteria for determining the intended usable state shall meet one of the following conditions: The physical construction (including installation) of the fixed asset has been fully completed or is substantially complete; trial production or trial operation has been conducted, and the results indicate that the asset can operate normally or produce stably; or the results of trial operation indicate that it can operate normally. Expenditures on the construction of the fixed assets are minimal or virtually nonexistent; the constructed fixed assets have met design or contractual requirements, or are substantially in line with such requirements.

For the method of calculating impairment losses on construction in progress, see Note 3.22.

18、 Construction Materials

The Group's construction materials refer to various materials prepared for construction in progress, including construction materials, equipment not yet installed, and tools and equipment prepared for production.

Purchased construction materials are measured at cost; materials issued for use are transferred to construction in progress, and any remaining construction materials after project completion are reclassified as inventories.

For the method of calculating impairment losses on construction materials, see Note 3.22.

In the balance sheet, the ending balance of construction materials is presented under "Construction in Progress."

19、 Borrowing Costs

(1) Recognition Principles for Capitalization of Borrowing Costs

Borrowing costs incurred by the Group that are directly attributable to the construction or production of assets that meet the criteria for capitalization are capitalized and included in the cost of the relevant assets; other borrowing costs are recognized as expenses at the time of occurrence based on their amount and included in current period profit or loss. Borrowing costs are capitalized when they meet all of the following conditions:

- ① Asset expenditures have been incurred; such expenditures include payments made in the form of cash, transfers of non-cash assets, or the assumption of interest-bearing debt for the acquisition, construction, or production of assets that meet the criteria for capitalization;
- ② Borrowing costs have been incurred;
- ③ The construction or production activities necessary to bring the asset to its intended usable or saleable condition have commenced.

(2) Period of Capitalization of Borrowing Costs

The Group ceases to capitalize borrowing costs when the construction or production of an asset that meets the criteria for capitalization reaches its intended state of readiness for use or sale. Borrowing costs incurred after the asset that meets the criteria for capitalization has reached its intended state of readiness for use or sale are recognized as an expense in the period in which they are incurred and included in current profit or loss.

If there is an abnormal interruption in the construction or production of an asset that meets the capitalization criteria, and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended; borrowing costs incurred during periods of normal interruption continue to be capitalized.

(3) Calculation Method for the Capitalization Rate and Amount of Borrowing Costs

For designated borrowings, the amount capitalized is the actual interest expense incurred during the current period, less any interest income earned on undrawn funds deposited in a bank or investment income from temporary investments. For general borrowings, the capitalized amount is determined by multiplying the weighted average of asset expenditures exceeding those of designated borrowings by the capitalization rate applicable to the general borrowings. The capitalization rate is calculated based on the weighted average interest rate of the general borrowings.

During the capitalization period, all exchange differences on foreign currency-denominated special-purpose loans are fully capitalized; exchange differences on foreign currency-denominated general-purpose loans are recognized in current period profit or loss.

20、 Intangible assets

The Group's intangible assets include land use rights, patents and proprietary technology, mineral mining rights, and others.

Intangible assets are initially measured at cost, and their useful lives are analyzed and determined at the time of acquisition. For intangible assets with a finite useful life, amortization is calculated over the estimated useful life using a method that reflects the expected pattern of economic benefits associated with the asset, starting from the date the asset is available for use; if the expected pattern of economic benefits cannot be reliably determined, the straight-line method is used; intangible assets with an indefinite useful life are not amortized.

The amortization methods for intangible assets with finite useful lives are as follows:

	Useful Life	Basis for Determining Useful Life	Amortization Method	Remarks
Land use rights	30–70 years	Warrant	Straight-line amortization	
Patent Rights and Proprietary Technology	5–20 years	Estimated useful life	Amortized on a straight-line basis	
Mining rights	16–20 years	Warrants, expected income period	Amortized over the useful life	
Other	2–10 years	Estimated useful life	Straight-line amortization	

At the end of each fiscal year, the Group reviews the useful lives and amortization methods of intangible assets with finite useful lives. If there are differences from previous estimates, the original estimates are adjusted and treated as changes in accounting estimates.

If, at the balance sheet date, it is estimated that an intangible asset will no longer generate future economic benefits for the enterprise, the entire carrying amount of that intangible asset is transferred to current profit or loss.

For the impairment testing method for intangible assets, see Note 3.22.

21、 Research and Development Expenditures

The Group's research and development (R&D) expenses consist of expenditures directly related to the Company's R&D activities, including employee compensation for R&D personnel, direct input costs, depreciation expenses and deferred expenses, design costs, equipment commissioning costs, amortization of intangible assets, external R&D outsourcing costs, and other expenses. Among these, the salaries of R&D personnel are allocated to R&D expenses based on project man-hours. The costs of equipment, production lines, and premises shared by R&D activities and other production and business operations are allocated to R&D expenses based on the proportion of working hours and floor space.

The Group classifies expenditures on internal research and development projects into research-phase expenditures and development-phase expenditures.

Expenditures incurred during the research phase are recognized in current period profit or loss as incurred.

Expenditures in the development stage may be capitalized only if all of the following conditions are met: it is technically feasible to complete the intangible assets so that they are available for use or sale; there is an intention to complete the intangible assets and use or sell them; The manner in which the intangible assets will generate economic benefits includes demonstrating that there is a market for products produced using the intangible assets or for the intangible assets themselves; if the intangible assets are to be used internally, their usefulness must be demonstrated; there are sufficient technical, financial, and other resources to complete the development of the intangible assets, and the Group has the capability to use or sell the intangible assets; and expenditures attributable to the development phase of the intangible assets can be measured reliably. Development expenditures that do not meet the above conditions are recognized in profit or loss for the current period.

The Group's research and development projects enter the development stage after meeting the above conditions and undergoing technical and economic feasibility studies, resulting in project approval.

Capitalized development-stage expenditures are presented as development expenditures on the balance sheet and are reclassified as intangible assets on the date the project is ready for its intended use.

Capitalization criteria for specific R&D projects:

Expenditures incurred during the research phase are recognized in profit or loss in the period in which they are incurred. Expenditures incurred during the design and testing phases prior to mass production, which relate to the final application of production processes, are classified as development expenditures and are capitalized if they meet the following conditions:

- The development of the production process has been thoroughly evaluated by the technical team;
- Management has approved the budget for the development of the production process;
- Analysis from preliminary market research indicates that the products manufactured using the production process have market potential;
- There is sufficient technical and financial support to carry out the development activities and subsequent large-scale production; and the expenditures related to the development of the production process can be reliably allocated. If it is not possible to distinguish between expenditures incurred during the research phase and those incurred during the development phase, all R&D expenditures incurred shall be recognized in current period profit or loss.

22、 Asset Impairment

Impairment of assets such as long-term equity investments in subsidiaries, fixed assets, property, plant, and equipment, construction in progress, right-of-use assets, intangible assets, and goodwill (excluding inventories, investment properties measured at fair value, deferred tax assets, and financial assets) is determined as follows:

At the balance sheet date, the Group assesses whether there are any indications that an asset may be impaired. If such indications exist, the Group estimates the asset's recoverable amount and performs an impairment test. Goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets not yet ready for use are tested for impairment annually, regardless of whether there are indications of impairment.

Recoverable amount is determined as the higher of the asset's fair value less costs to sell and the present value of the asset's estimated future cash flows. The Group estimates the recoverable amount on an individual asset basis; where it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount is determined on the basis of the asset group to which the asset belongs. The identification of an asset group is based on whether the primary cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its carrying amount, the Group writes down the carrying amount to the recoverable amount, with the write-down amount recognized in profit or loss for the current period, and a corresponding impairment provision is recognized.

For the purpose of goodwill impairment testing, the carrying amount of goodwill arising from a business combination is allocated to the relevant asset groups using a reasonable method from the acquisition

date; where allocation to the relevant asset groups is impractical, it is allocated to the relevant group of asset groups. The relevant asset groups or group of asset groups are those that benefit from the synergies of the business combination and do not exceed the reporting segments identified by the Group.

During impairment testing, if there are indications of impairment for an asset group or portfolio of asset groups associated with goodwill, impairment testing is first performed on the asset group or portfolio of asset groups excluding goodwill to calculate the recoverable amount and recognize the corresponding impairment loss. Subsequently, impairment testing is performed on the asset group or portfolio of asset groups including goodwill, comparing its carrying amount with the recoverable amount; if the recoverable amount is lower than the carrying amount, an impairment loss on goodwill is recognized.

Once asset impairment losses are recognized, they are not reversed in subsequent accounting periods.

23、 Deferred Expenses

Deferred expenses incurred by the Group are measured at historical cost and amortized on a straight-line basis over the estimated period of benefit. For deferred expense items that do not provide benefits in future accounting periods, the entire amortized balance is recognized in profit or loss for the current period.

24、 Employee Benefits

(1) Scope of Employee Benefits

Employee compensation refers to all forms of remuneration or compensation provided by an entity to obtain services from employees or to terminate employment relationships. Employee compensation includes short-term compensation, post-employment benefits, termination benefits, and other long-term employee benefits. Benefits provided by an entity to employees' spouses, children, dependents, survivors of deceased employees, and other beneficiaries are also classified as employee compensation.

(2) Short-Term Employee Benefits

During the accounting period in which employees render services, the Group recognizes as liabilities the actual wages, bonuses, and social insurance premiums (including medical, work-related injury, and maternity insurance premiums) paid on behalf of employees in accordance with prescribed standards and rates, as well as housing provident fund contributions. These amounts are charged to current profit or loss or included in the cost of related assets.

(3) Post-employment Benefits

Post-employment benefit plans include defined contribution plans and defined benefit plans. A defined contribution plan is a post-employment benefit plan under which the entity makes fixed contributions to an independent fund and has no further payment obligations; a defined benefit plan is any post-employment benefit plan other than a defined contribution plan.

Defined Contribution Plans

Defined-contribution plans include basic pension insurance, unemployment insurance, and others.

During the accounting period in which employees render service, the contribution amount calculated under a defined contribution plan is recognized as a liability and included in current profit or loss or the cost of the related asset.

(4) Termination Benefits

When the Group provides termination benefits to employees, it recognizes the employee benefit liability arising from such termination benefits and includes it in current profit or loss on the earlier of the following two dates: when the Group cannot unilaterally withdraw the termination benefits provided due to a plan to terminate the employment relationship or a proposed reduction in workforce; or when the Group recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

(5) Other Long-Term Benefits

Other long-term employee benefits provided by the Group to employees that meet the criteria for a defined contribution plan shall be accounted for in accordance with the relevant provisions regarding defined contribution plans set forth above. Those that meet the criteria for a defined benefit plan shall be accounted for in accordance with the relevant provisions regarding defined benefit plans set forth above; however, the portion of the related employee benefit cost arising from “changes in the remeasurement of the net liability or net asset of the defined benefit plan” shall be recognized in profit or loss for the current period or included in the cost of the related asset.

25、 Provisions

If an obligation arising from a contingent event meets all of the following conditions, the Group recognizes it as a provision:

- ① The obligation is a present obligation of the Group;
- ② It is highly probable that the settlement of the obligation will result in an outflow of economic benefits from the Group;
- ③ The amount of the obligation can be reliably measured.

Provisions are initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors such as the risks, uncertainties, and the time value of money associated with the contingent event. Where the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The Group reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to reflect the current best estimate.

If all or part of the expenditure required to settle a recognized provision is expected to be reimbursed by a third party or another party, the reimbursement amount is recognized as a separate asset only when it is virtually certain that it will be received. The recognized reimbursement amount does not exceed the carrying amount of the recognized liability.

26、 Revenue

(1) General Principles

The Group recognizes revenue when it has satisfied the performance obligations under the contract, that is, when the customer obtains control of the relevant goods or services.

Where a contract contains two or more performance obligations, the Group allocates the transaction price to each performance obligation at the contract inception date in proportion to the relative selling prices of the goods or services promised under each individual performance obligation, and measures revenue based on the transaction price allocated to each performance obligation.

Performance of a performance obligation is deemed to occur over a period of time if any of the following conditions are met; otherwise, it is deemed to occur at a point in time:

- ① The customer obtains and consumes the economic benefits arising from the Group's performance at the same time the Group performs its obligations.
- ② The customer is able to control the goods in progress during the Group's performance of the contract.
- ③ The goods produced during the Group's performance have no alternative use, and the Group has the right to receive payment for the portion of performance completed to date throughout the contract period.

For performance obligations satisfied over a period of time, the Group recognizes revenue over that period based on the stage of completion. If the stage of completion cannot be reasonably determined, and the Group expects to be compensated for costs already incurred, revenue is recognized based on the amount of costs already incurred until the stage of completion can be reasonably determined.

For performance obligations satisfied at a point in time, the Group recognizes revenue when the customer obtains control of the relevant goods or services. In determining whether the customer has obtained control of the goods or services, the Group considers the following indicators:

- ① The Group has a present right to receive payment for the goods or services, meaning the customer has a present obligation to pay for them.
- ② The Group has transferred legal title to the goods to the customer, meaning the customer now holds legal title to the goods.
- ③ The Group has transferred physical possession of the goods to the customer, meaning the customer is in physical possession of the goods.
- ④ The Group has transferred the significant risks and rewards of ownership of the goods to the customer, meaning the customer has assumed the significant risks and rewards of ownership of the goods.
- ⑤ The customer has accepted the goods or services.
- ⑥ Other indications that the customer has obtained control of the goods.

(2) Specific Methods

The Group's revenue primarily derives from the following business activities: sales of products, provision of external consulting services, and processing services.

Sales of Products

The Group manufactures and sells float glass, photovoltaic glass, architectural glass, solar industry-related products, electronic glass, and display devices.

For domestic sales, the Group ships products to the agreed delivery location in accordance with the contract or has them picked up by the buyer, and recognizes revenue upon the buyer's confirmation of receipt or pickup.

For export sales, the Group recognizes revenue after completing export customs clearance procedures and loading the products onto vessels in accordance with the trade terms specified in the sales contracts, or after transporting the products to the designated delivery locations.

For revenue from photovoltaic power generation in the solar and other industries, the Group recognizes revenue when electricity is supplied to the provincial power grid company where each power plant is located, using the mutually confirmed settlement volume as the monthly sales volume and the feed-in tariff approved by the National Development and Reform Commission or the contractually agreed-upon electricity price as the sales unit price.

The credit terms granted by the Group to customers in various industries are consistent with industry practices and do not contain any significant financing components.

The Group provides product quality warranties for its products and recognizes corresponding provisions. The Group does not provide any additional services or quality warranties in connection therewith; therefore, such product quality warranties do not constitute separate performance obligations.

For sales of glass products subject to return clauses, revenue is recognized up to the amount of cumulative revenue recognized for which it is highly probable that no significant reversal will occur. The Group recognizes a liability for the expected return amount and, simultaneously, recognizes an asset equal to the carrying amount of the goods expected to be returned at the time of transfer, less the estimated costs of recovering those goods (including impairment of the returned goods).

Provision of Consulting and Processing Services

The Group provides consulting and processing services to external parties. Since customers obtain and consume the economic benefits arising from the Group's performance simultaneously with the Group's performance, the Group recognizes revenue based on the stage of completion. The stage of completion is determined by the ratio of costs incurred to estimated total costs. At the balance sheet date, the Group re-estimates the stage of completion for services already performed to reflect changes in the status of performance.

When the Group recognizes revenue based on the stage of completion of services rendered, the portion for which the Group has obtained an unconditional right to receive payment is recognized as accounts receivable, while the remaining portion is recognized as a contract asset. The Group recognizes an allowance for expected credit losses against both accounts receivable and contract assets. If the

contract consideration received or receivable by the Group exceeds the value of services rendered, the excess is recognized as contract liabilities. The Group presents contract assets and contract liabilities under the same contract on a net basis.

27、 Contract costs

Contract costs include incremental costs incurred to secure the contract and costs to fulfill the contract.

Incremental costs incurred to obtain a contract refer to costs that would not have been incurred had the Company not obtained the contract (such as sales commissions). If such costs are expected to be recovered, the Company recognizes them as contract acquisition costs and classifies them as an asset. Other expenditures incurred by the Company to obtain a contract, other than incremental costs expected to be recovered, are recognized in profit or loss for the period in which they are incurred.

Costs incurred to fulfill a contract that do not fall within the scope of Chinese Accounting Standards for Business Enterprises (such as inventories) and simultaneously meet the following conditions are recognized by the Company as contract fulfillment costs and classified as an asset:

- ① The costs are directly attributable to a current or anticipated contract, including direct labor, direct materials, manufacturing overhead (or similar costs), costs explicitly borne by the customer, and other costs incurred solely for the contract;
- ② The cost increases the Company's resources available for future fulfillment of performance obligations;
- ③ The cost is expected to be recovered.

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

When the carrying amount of an asset related to contract costs exceeds the sum of the following two items, the Company recognizes asset impairment losses on the excess amount:

- ① The remaining consideration expected to be received by the Company from the transfer of the goods or services related to the asset;
- ② The estimated costs to be incurred to transfer the related goods or services.

28、 Government Grants

Government grants are recognized when the conditions attached to the grants are met and the grants are expected to be received.

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

Government grants related to assets refer to grants received by the Group that are used to acquire, construct, or otherwise form long-term assets; all other grants are classified as grants related to income.

Where government documents do not explicitly specify the recipients of the grants, if the grant can result in the formation of a long-term asset, the portion of the grant corresponding to the value of the asset is treated as an asset-related grant, and the remaining portion is treated as an income-related grant; if it is difficult to distinguish between the two, the entire grant is treated as an income-related grant.

Government grants related to assets are recognized as deferred income and recognized in profit or loss over the useful life of the related asset using a reasonable and systematic method. Government grants related to income that are intended to compensate for costs, expenses, or losses already incurred are recognized in current profit or loss; those intended to compensate for costs, expenses, or losses in future periods are recognized as deferred income and recognized in current profit or loss in the period in which the related costs, expenses, or losses are recognized. Government grants measured at their nominal amount are recognized directly in profit or loss for the current period. The Group applies a consistent approach to the accounting for identical or similar government grant transactions.

Government grants related to ordinary activities are recognized as other income in accordance with the substance of the economic transaction. Government grants unrelated to ordinary activities are recognized as non-operating income.

When a recognized government grant is required to be returned, if the grant was initially recognized by reducing the carrying amount of a related asset, the carrying amount of the asset is adjusted; if there is a related deferred income balance, the carrying amount of the deferred income is reduced, and any excess is recognized in profit or loss for the current period; in other cases, the amount is recognized directly in profit or loss for the current period.

29、 Deferred Tax Assets and Deferred Tax Liabilities

Income taxes consist of current income taxes and deferred income taxes. Except for adjustments to goodwill arising from business combinations, or deferred income taxes related to transactions or events recognized directly in equity, all income taxes are recognized as income tax expense in current profit or loss.

The Group recognizes deferred income taxes using the balance sheet liability method based on temporary differences between the carrying amounts of assets and liabilities on the balance sheet date and their tax bases.

A deferred tax liability is recognized for every taxable temporary difference, unless the taxable temporary difference arises from the following transactions:

① the initial recognition of goodwill, or the initial recognition of assets or liabilities arising from transactions that do not constitute a business combination and that, at the time of the transaction, affect neither accounting profit nor taxable income (except for individual transactions where the initial recognition of assets and liabilities results in an equal amount of taxable temporary differences and deductible temporary differences);

② Taxable temporary differences related to investments in subsidiaries, joint ventures, and associates, where the timing of the reversal of the temporary difference is controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences, deductible losses, and tax credits that can be carried forward to future years, the Group recognizes the resulting deferred tax assets to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, deductible losses, and tax credits can be offset, unless the deductible temporary difference arises from the following transactions:

① The transaction is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income (except for individual transactions where the assets and liabilities initially recognized give rise to equal amounts of taxable temporary differences and deductible temporary differences);

② For deductible temporary differences related to investments in subsidiaries, joint ventures, and associates, a corresponding deferred tax asset is recognized if both of the following conditions are met: the temporary difference is likely to reverse in the foreseeable future, and it is probable that taxable income will be available in the future against which the deductible temporary difference can be utilized.

At the balance sheet date, the Group measures deferred tax assets and deferred tax liabilities using the tax rates expected to apply in the period in which the asset is expected to be recovered or the liability is expected to be settled, and reflects the income tax consequences of the manner in which the asset is expected to be recovered or the liability is expected to be settled at the balance sheet date.

At the balance sheet date, the Group reviews the carrying amount of deferred tax assets. If it is probable that sufficient taxable income will not be available in future periods to utilize the benefits of the deferred tax assets, the carrying amount of the deferred tax assets is written down. The written-down amount is reversed when it becomes probable that sufficient taxable income will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented net of each other when both of the following conditions are met:

① The relevant tax entity within the Group has a legal right to settle current income tax assets and current income tax liabilities on a net basis;

② The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity within the Group.

30、 Leases

(1) Recognition of Leases

At the commencement of the contract, the Group, as lessee or lessor, assesses whether the customer under the contract has the right to obtain substantially all of the economic benefits arising from the use of the identified asset(s) during the period of use and has the right to direct the use of the identified asset(s) during that period. If one party to the contract transfers the right to control the use of one or

more identified assets for a certain period in exchange for consideration, the Group classifies the contract as a lease or as containing a lease.

(2) The Group as a Lessee

At the commencement of the lease term, the Group recognizes right-of-use assets and lease liabilities for all leases, except for short-term leases and leases of low-value assets that are accounted for using the simplified method.

For the accounting policy for right-of-use assets, see Note 3.30.

A lease liability is initially measured at the present value of the lease payments not yet due at the commencement date of the lease, calculated using the implicit rate of the lease; if the implicit rate of the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments include: fixed payments and payments that are effectively fixed, net of any lease incentives where applicable; variable lease payments that depend on an index or rate; the exercise price of a purchase option, provided the lessee reasonably expects to exercise the option; amounts payable upon exercising a termination option, provided that the lease term reflects the lessee's intention to exercise such option; and amounts expected to be paid based on the residual value of guarantees provided by the lessee. Subsequently, interest expense on the lease liability for each period of the lease term is calculated using a fixed periodic rate and recognized in profit or loss for the current period. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when incurred.

Short-term leases

A short-term lease is a lease with a lease term of 12 months or less at the commencement of the lease, excluding leases containing a purchase option.

The Group capitalizes lease payments for short-term leases into the cost of the related asset or recognizes them in profit or loss for the period using the straight-line method over the lease term.

Leases of Low-Value Assets

A lease of low-value assets is a lease where the value of the individual leased asset is less than RMB 100,000 when new.

The Group capitalizes lease payments for low-value asset leases into the cost of the related assets or recognizes them in profit or loss for the period using the straight-line method over the lease term.

For low-value asset leases, the Group elects to apply the simplified treatment described above based on the specific circumstances of each lease.

Lease modifications

If a lease modification occurs and meets all of the following conditions, the Group accounts for the lease modification as a separate lease: ① the lease modification expands the scope of the lease by adding one or more right-of-use assets; and ② the additional consideration is equivalent to the separate price of the expanded portion of the lease, adjusted for the terms of the contract.

Where a lease modification is not accounted for as a separate lease, on the effective date of the modification, the Group reallocates the consideration of the modified contract, re-determines the lease term, and remeasures the lease liability based on the present value of the modified lease payments and the revised discount rate.

If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the carrying amount of the right-of-use assets accordingly and recognizes the related gain or loss from the partial or complete termination of the lease in profit or loss for the current period.

For other lease modifications that result in the remeasurement of the lease liability, the Group adjusts the carrying amount of the right-of-use assets accordingly.

(3) The Group as Lessor

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

Finance leases

For finance leases, the Group recognizes the net investment in the lease as the carrying amount of finance lease receivables at the commencement of the lease term. The net investment in the lease is the sum of the unguaranteed residual value and the present value of lease payments not yet received at the commencement of the lease term, discounted at the implicit rate of the lease. The Group, as the lessor, calculates and recognizes interest income for each period of the lease term using a fixed periodic rate. Variable lease payments received by the Group as the lessor that are not included in the measurement of the net investment in the lease are recognized in profit or loss when incurred.

The derecognition and impairment of finance lease receivables are accounted for in accordance with the provisions of Chinese Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments and Chinese Accounting Standards for Business Enterprises No. 23—Transfers of Financial Assets.

Operating Leases

For operating leases, the Group recognizes rent as income in each period of the lease term using the straight-line method. Initial direct costs incurred in connection with operating leases shall be capitalized and amortized over the lease term on the same basis as the recognition of rental income, with the amortization charged to income in each period. Variable lease payments received in connection with operating leases that are not included in the lease receivable are recognized in profit or loss when incurred.

Lease Modifications

If an operating lease is modified, the Group accounts for it as a new lease from the effective date of the modification, and any lease receivables or prepaid lease payments related to the original lease are treated as lease receivables for the new lease.

If a finance lease is modified and meets both of the following conditions, the Group accounts for the modification as a separate lease: ① the modification expands the scope of the lease by granting the right to use one or more additional right-of-use assets; and ② the additional consideration is equivalent to the separate price of the expanded portion of the lease, adjusted for the terms of the contract.

If a modification to a finance lease is not accounted for as a separate lease, the Group accounts for the modified lease as follows: ① If the modification takes effect on the lease commencement date and the lease would be classified as an operating lease, the Group accounts for it as a new lease from the effective date of the modification, using the net investment in the lease prior to the effective date of the modification as the carrying amount of the leased asset; ② If the modification takes effect on the lease commencement date and the lease is classified as a finance lease, the Group accounts for it in accordance with the provisions regarding contract modifications or renegotiations in Chinese Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments.

31、 Right-of-use assets

(1) Criteria for Recognizing Right-of-Use Assets

Right-of-use assets are assets that the Group, as a lessee, has the right to use during the lease term.

At the commencement of the lease term, right-of-use assets are initially measured at cost. This cost includes: the initial measurement amount of the lease liability; lease payments made on or before the commencement of the lease term, net of any lease incentives already received; initial direct costs incurred by the Group as the lessee; costs expected to be incurred by the Group as the lessee for dismantling and removing the leased asset, restoring the site where the leased asset is located, or returning the leased asset to the condition specified in the lease terms. The Group, as the lessee, recognizes and measures such dismantling and restoration costs in accordance with Chinese Accounting Standards for Business Enterprises No. 13—Contingencies. Subsequent adjustments are made for any remeasurement of the lease liability.

(2) Depreciation Method for Right-of-Use Assets

The Group uses the straight-line method to calculate depreciation. Where the Group, as the lessee, can reasonably determine that it will obtain ownership of the leased asset at the end of the lease term, depreciation is calculated over the remaining useful life of the leased asset. Where the Group cannot reasonably determine that it will obtain ownership of the leased asset at the end of the lease term, depreciation is calculated over the shorter of the lease term and the remaining useful life of the leased asset.

(3) For the impairment testing method and the recognition of impairment losses for right-of-use assets, see Note 3.22.

32、 Work Safety Expenses

In accordance with relevant documents issued by the Ministry of Finance and the State Administration of Work Safety, the Group's subsidiaries engaged in the production and sale of polysilicon calculate

work safety expenses on a monthly basis using the actual operating revenue of the previous year as the basis, applying a degressive rate:

(a) For operating revenue of RMB 10 million or less, 4.5% is allocated;

(b) For the portion of operating revenue between RMB 10 million and RMB 100 million (inclusive), 2.25% is allocated;

(c) For the portion of operating revenue between RMB 100 million and RMB 1 billion (inclusive), 0.55% is allocated;

(d) For the portion of operating revenue exceeding 1 billion yuan, 0.2% shall be allocated.

In accordance with the "Measures for the Allocation and Use of Enterprise Work Safety Expenses" (Cai Zi [2022] No. 136), the Group's subsidiaries engaged in mining and processing shall base their allocation on mining output.

Allocation standards for work safety expenses: For non-metallic mines, 3 yuan per ton for open-pit mines and 8 yuan per ton for underground mines;

Work safety expenses are primarily used for expenditures related to the improvement, renovation, and maintenance of safety protection equipment and facilities. When accrued, work safety expenses are included in the cost of relevant products or in current period profit or loss, and are simultaneously recorded in the special reserve account. Upon utilization, for expense-type expenditures within the prescribed scope of use, the special reserve is directly reduced when the expenses are incurred; for capital expenditures, the incurred expenses are aggregated under the "construction in progress" account. Upon project completion and reaching the intended usable state, the assets are transferred to fixed assets, and the special reserve is reduced by the cost of the fixed assets, while the corresponding amount of accumulated depreciation is recognized. Depreciation is no longer accrued for such fixed assets in subsequent periods.

33、 Significant Accounting Judgments and Estimates

The Group continuously evaluates its significant accounting estimates and key assumptions based on historical experience and other factors, including reasonable expectations regarding future events. Significant accounting estimates and key assumptions that pose a risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year are listed below:

Classification of Financial Assets

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

The Group determines the business model for managing financial assets at the level of the financial asset portfolio, taking into account factors such as the manner in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how they are managed, and the manner in which relevant business managers are compensated.

The Group makes the following key judgments when assessing whether the contractual cash flows of financial assets are consistent with an underlying lending arrangement: whether the principal is likely to vary in timing or amount during the term of the financial asset due to prepayments or other reasons; and whether the interest solely reflects the time value of money, credit risk, other risks inherent in lending, and the consideration for costs and profits. For example, does the prepayment amount reflect only the principal not yet paid and interest based on the outstanding principal, as well as reasonable compensation for the early termination of the contract?

Measurement of expected credit losses on accounts receivable

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

Impairment of Fixed Assets, Construction in Progress

At the balance sheet date, the Company assesses non-current assets (excluding financial assets) for indications of possible impairment and performs an impairment test when there are indications that their carrying amount may not be recoverable.

An impairment occurs when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of fair value less costs to sell and the present value of estimated future cash flows. Fair value less costs to sell is determined by reference to the contract price of similar assets in arm's-length transactions or observable market prices, less incremental costs directly attributable to the disposal of the asset. In determining the present value of estimated future cash flows, significant judgments must be made regarding the asset's (or asset group's) production volume, selling price, related operating costs, and the discount rate used to calculate the present value. When estimating the recoverable amount, the Company utilizes all available relevant information, including forecasts of production volume, selling price, and related operating costs based on reasonable and supportable assumptions.

Goodwill Impairment

The Group assesses whether goodwill is impaired at least annually. This requires estimating the value in use of the asset groups to which goodwill has been allocated. In estimating value in use, the Group must estimate future cash flows from the asset group and select an appropriate discount rate to calculate the present value of those future cash flows.

Development Expenditures

In determining the amount to be capitalized, management must make assumptions regarding the asset's expected future cash flows, the discount rate to be applied, and the estimated period over which the benefits will be realized.

deferred tax assets

Deferred tax assets should be recognized for all unused tax losses to the extent that it is probable that sufficient taxable profit will be available against which the losses can be utilized. This requires management to exercise significant judgment in estimating the timing and amount of future taxable profit, taking into account tax planning strategies, to determine the amount of deferred tax assets to be recognized.

34、 Changes in Significant Accounting Policies and Accounting Estimates

There were no changes in accounting policies or accounting estimates during the current period.

IV. Taxes

1. Major Tax Categories and Rates

Tax Type	Tax Base	Tax Rate
Corporate Income Tax	Taxable Income	16.5%, 25%
Value-Added Tax	Taxable Value-Added Amount (The tax payable is calculated as the balance of taxable sales multiplied by the applicable tax rate, minus input tax credits allowed for the current period)	3%–13%
Urban Maintenance and Construction Tax	Actual turnover tax paid	1%–7%
Education Surcharge	Actual amount of turnover tax paid	5%

2. Tax Incentives

Tianjin CSG Energy-Saving Glass Co. Ltd. (hereinafter referred to as “Tianjin Energy-Saving Company”) passed the 2024 re-certification review for high-tech enterprise status and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for a period of three years starting from 2024.

Dongguan CSG Engineering Glass Co. Ltd. (hereinafter referred to as “Dongguan Engineering Company”) passed the 2025 high-tech enterprise qualification review and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. It is eligible for a 15% corporate income tax rate for a period of three years starting from 2025.

Wujiang CSG East China Engineering Glass Co. Ltd. (hereinafter referred to as “Wujiang Engineering Company”) passed the 2023 re-certification review for high-tech enterprise status and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for the three-year period starting from 2023.

Dongguan CSG Solar Glass Co. Ltd. (hereinafter referred to as “Dongguan Solar Company”) passed the 2023 high-tech enterprise qualification re-examination and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for the three-year period starting from 2023.

Yichang CSG Silicon Materials Co. Ltd. (hereinafter referred to as “Yichang Silicon Materials”) passed the 2023 re-certification review for high-tech enterprise status and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for the three-year period starting from 2023.

Dongguan CSG Photovoltaic Technology Co. Ltd. (hereinafter referred to as “Dongguan Photovoltaic Company”) passed the 2025 high-tech enterprise qualification re-examination and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for the three-year period starting from 2025.

Hebei Vision Glass Co. Ltd. (hereinafter referred to as “Hebei Vision Glass”) passed the 2025 re-certification review for high-tech enterprise status and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for the three-year period starting from 2025.

Wujiang CSG Glass Co. Ltd. (hereinafter referred to as “Wujiang CSG Glass”) passed the 2023 re-evaluation for High-Tech Enterprise status and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for the three-year period starting from 2023.

Xianning CSG Glass Co. Ltd. (hereinafter referred to as “Xianning Float Glass”) passed the 2023 re-evaluation for High-Tech Enterprise status and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for the three-year period starting from 2023.

Xianning CSG Energy-Saving Glass Co. Ltd. (hereinafter referred to as “Xianning Energy-Saving Company”) passed the 2024 high-tech enterprise qualification re-examination and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for a period of three years starting from 2024.

Yichang CSG Optoelectronic Glass Co. Ltd. (hereinafter referred to as “Yichang Optoelectronic Company”) passed the 2024 high-tech enterprise qualification re-examination and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for a period of three years starting from 2024.

Yichang CSG Display Devices Co. Ltd. (hereinafter referred to as “Yichang Display Company”) successfully passed the 2024 High-Tech Enterprise qualification review and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for the three-year period starting from 2024.

Qingyuan CSG Energy-Saving New Materials Co. Ltd. (hereinafter referred to as “Qingyuan Energy-Saving Company”) passed the 2025 High-Tech Enterprise qualification re-evaluation and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company will be eligible for a 15% corporate income tax rate for a period of three years starting from 2025.

Hebei CSG Glass Co. Ltd. (hereinafter referred to as “Hebei CSG Glass”) passed the 2024 high-tech enterprise qualification review and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for a period of three years starting from 2024.

Xianning CSG Optoelectronic Glass Co. Ltd. (hereinafter referred to as “Xianning Optoelectronic Company”) passed the 2025 re-evaluation for High-Tech Enterprise status and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. The company is eligible for a 15% corporate income tax rate for a period of three years starting from 2025.

Zhaoqing CSG Energy-Saving Glass Co. Ltd. (hereinafter referred to as “Zhaoqing Energy-Saving Company”) was recognized as a high-tech enterprise in 2025 and has obtained the “High-Tech Enterprise Certificate,” which is valid for three years. It will be subject to a 15% corporate income tax rate for the three-year period starting from 2025.

Sichuan CSG Energy-Saving Glass Co. Ltd. (hereinafter referred to as “Sichuan Energy-Saving Company”) is eligible for corporate income tax incentives under the Western Development Strategy and is subject to a 15% corporate income tax rate for the current fiscal year.

Chengdu CSG Glass Co. Ltd. (hereinafter referred to as “Chengdu CSG Glass”) is eligible for corporate income tax incentives under the Western Development Strategy and is subject to a 15% corporate income tax rate for the current fiscal year.

Xian CSG Energy-Saving Glass Technology Co. Ltd. (hereinafter referred to as “Xi’an Energy-Saving Company”) is eligible for the corporate income tax incentives under the Western Development Strategy and is subject to a 15% corporate income tax rate for the current fiscal year.

Guangxi CSG New Energy Materials Technology Co. Ltd. (hereinafter referred to as “Guangxi New Energy Materials Company”) is eligible for corporate income tax incentives under the Western Development Strategy and is subject to a corporate income tax rate of 15% for the current fiscal year.

Qinghai CSG New Energy Technology Co. Ltd. (hereinafter referred to as “Qinghai New Energy Company”) is eligible for corporate income tax incentives under the Western Development Initiative and is subject to a corporate income tax rate of 15% for the current fiscal year.

Yichang CSG New Energy Co. Ltd. (hereinafter referred to as “Yichang CSG New Energy Company”), Zhaoqing CSG New Energy Technology Co. Ltd. (hereinafter referred to as “Zhaoqing CSG New Energy Company”), Xianning CSG Photovoltaic New Energy Co. Ltd. (hereinafter referred to as “Xianning CSG Photovoltaic Company”), Anhui CSG Photovoltaic Energy Co. Ltd. (hereinafter referred to as “Anhui Photovoltaic Company”), and Suzhou CSG Photovoltaic Energy Co. Ltd. (hereinafter referred to as “Suzhou Photovoltaic Company”) are classified as national key public infrastructure projects under Article 87 of the Implementation Regulations of the Enterprise Income Tax Law. They are eligible for the “three-year exemption and three-year 50% reduction” tax incentive policy, meaning that starting from the tax year in which they first generate operating income, they are exempt from enterprise income tax for the first three years and subject to a 50% reduction in enterprise income tax for the fourth through sixth years.

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

Anhui CSG New Energy Materials Technology Co. Ltd. (hereinafter referred to as “Anhui New Energy Company”) was recognized as a high-tech enterprise in 2023 and has obtained the “High-Tech

Enterprise Certificate.” The certificate is valid for three years, and a 15% corporate income tax rate applies for the three-year period starting from 2023.

Dongguan CSG Intelligent Equipment Co. Ltd. (hereinafter referred to as “Dongguan Equipment Company”) was recognized as a high-tech enterprise in 2024 and has obtained the “High-Tech Enterprise Certificate.” The certificate is valid for three years, and a 15% corporate income tax rate applies for the three-year period starting from 2024.

Pursuant to the “Announcement on the Value-Added Tax Additional Deduction Policy for Advanced Manufacturing Enterprises” (Announcement No. 43 of 2023 by the Ministry of Finance and the State Taxation Administration), the Company’s high-tech subsidiaries are permitted, from January 1, 2023, to December 31, 2027, to deduct an additional 5% of the current period’s deductible input VAT from the amount of VAT payable.

V. Notes to the Consolidated Financial Statements

1. Cash and Cash Equivalents

Item	Ending Balance	Opening Balance
Cash on Hand	151,026	
Bank deposits	2,981,011,937	3,367,873,386
Other cash and cash equivalents	160,812,184	53,654,096
Total	3,141,975,147	3,421,527,482
Of which: Total funds held overseas	68,819,786	63,275,963
Total funds subject to restrictions on use due to mortgages, pledges, or freezes	136,004,824	53,654,096

2. Trading Financial Assets

Item	Balance at end of period	Opening Balance
Financial assets measured at fair value with changes recognized in profit or loss	230,000,000	96,000,000
Of which:		
Structured deposits	230,000,000	96,000,000
Total	230,000,000	96,000,000

3. Notes Receivable

(1) Notes Receivable by Category

Item	Ending Balance	Beginning Balance
Banker’s Acceptances	1,069,651,635	1,042,625,567
Commercial Acceptances	350,409,591	98,277,176
Total	1,420,061,226	1,140,902,743

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

(2) Disclosure by bad debt provision method

Category	Carrying Amount		Ending Balance		Carrying Value
	Amount	Percentage	allowance for doubtful accounts Amount	Allowance Ratio	
Notes receivable for which allowance for doubtful accounts is calculated on an individual basis					
Notes receivable for which allowance for doubtful accounts is calculated on a collective basis	1,422,318,292	100%	2,257,066	0.16%	1,420,061,226
Of which:					
Banker's acceptances	1,069,651,635	75.20%			1,069,651,635
Commercial Acceptances	352,666,657	24.80%	2,257,066	0.64%	350,409,591
Total	1,422,318,292	100%	2,257,066	0.16%	1,420,061,226

Continued

Category	Carrying Balance		Beginning balance		Carrying Value
	Amount	Ratio	allowance for doubtful accounts Amount	Provision ratio	
Notes receivable for which allowance for doubtful accounts is calculated on an individual basis					
Notes receivable for which allowance for doubtful accounts is calculated on a collective basis	1,141,735,264	100%	832,521	0.07%	1,140,902,743
Of which:					
Banker's acceptances	1,042,625,567	91%			1,042,625,567
Commercial Acceptances	99,109,697	9%	832,521	0.84%	98,277,176
Total	1,141,735,264	100%	832,521	0.07%	1,140,902,743

Allowance for doubtful accounts based on commercial acceptance bill portfolio:

Name	Carrying Amount	Ending Balance	
		allowance for doubtful accounts	Provision Ratio
Commercial Acceptances	352,666,657	2,257,066	0.64%
Total	352,666,657	2,257,066	0.64%

(3) Details of the Allowance for Doubtful Accounts Accrued, Recovered, or Reversed During the Period

Allowance for doubtful accounts for the current period:

Category	Beginning Balance	Provision	Changes During the Period			Ending Balance
			Recovered or Reversed	Write-off	Other	
Commercial Acceptances	832,521	1,424,545				2,257,066
Total	832,521	1,424,545				2,257,066

(4) Notes receivable pledged by the Company at the end of the period

Item	Amount pledged at the end of the period
Banker's Acceptances	734,789,756
Total	734,789,756

(5) Notes receivable endorsed or discounted by the Company as of the end of the period and not yet due as of the balance sheet date

Item	Amount not derecognized at the end of the period
Banker's acceptances	472,820,885
Total	472,820,885

4. Accounts Receivable

(1) Disclosure by Age

Age	Ending Book Balance	Opening Balance
Within 1 year (including 1 year)	1,690,799,801	1,570,990,322
1 to 2 years	49,245,975	34,464,346
2 to 3 years	27,330,764	36,721,437
3+ years	207,282,017	220,964,507
Total	1,974,658,557	1,863,140,612

(2) Disclosure by bad debt provision method

Category	Carrying Amount		Ending Balance allowance for doubtful accounts		Carrying Value
	Amount	Percentage	Amount	Allowance Ratio	
Accounts receivable for which an allowance for doubtful accounts is provided on an individual basis	150,969,997	7.65%	144,973,834	96.03%	5,996,163
Accounts receivable for which allowance for doubtful accounts	1,823,688,560	92.35%	27,519,672	1.51%	1,796,168,888

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Category	Ending Balance				
is calculated by group					
Of which:					
Receivables from non-related parties	1,823,688,560	92.35%	27,519,672	1.51%	1,796,168,888
Total	1,974,658,557	100%	172,493,506	8.74%	1,802,165,051

Continued

Category	Carrying Balance		Beginning Balance		Carrying Value
	Amount	Ratio	allowance for doubtful accounts Amount	Allowance Ratio	
Accounts receivable for which an allowance for doubtful accounts is provided on an individual basis	169,387,012	9.09%	155,963,004	92.07%	13,424,008
Accounts receivable for which allowance for doubtful accounts is calculated by group	1,693,753,600	90.91%	20,549,927	1.21%	1,673,203,673
Of which:					
Receivables from non-related parties	1,693,753,600	90.91%	20,549,927	1.21%	1,673,203,673
Total	1,863,140,612	100%	176,512,931	9.47%	1,686,627,681

Number of categories for individual allowance for doubtful accounts:

Name	Beginning Balance		Ending Balance			Reason for provision
	Carrying Amount	allowance for doubtful accounts	Book Balance	allowance for doubtful accounts	Accrual ratio	
Total for Individual Allowances	169,387,012	155,963,004	150,969,997	144,973,834	96.03%	This primarily reflects the transfer of commercial acceptance bills issued by Evergrande and its subsidiaries—which were endorsed by customers but could not be honored—from notes receivable to accounts receivable, as well as the partial or full allowance for doubtful accounts on certain accounts receivable due to factors such as the deterioration of customers' business operations.
Total	169,387,012	155,963,004	150,969,997	144,973,834	96.03%	

(3) Details of the Allowance for Doubtful Accounts Accrued, Recovered, or Reversed During the Current Period

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Allowance for doubtful accounts for the current period:

Category	Beginning Balance	Changes During the Period			Ending Balance
		Provision	Recovered or Reversed	Write-off Other	
Allowance for doubtful accounts for accounts receivable	176,512,931	13,108,476	16,050,199	1,077,702	172,493,506
Total	176,512,931	13,108,476	16,050,199	1,077,702	172,493,506

(4) Details of Accounts Receivable Actually Written Off During the Period

Item	Amount Written Off
Accounts Receivable Actually Written Off	1,077,702

(5) Top Five Accounts Receivable and Contract Assets by Debtor at the End of the Period

Company Name	End-of-Period Balance of Accounts Receivable	End-of-period balance of contract assets	End-of-Period Balance of Accounts Receivable and Contract Assets	Percentage of Total End-of-Period Balance of Accounts Receivable and Contract Assets	Ending Balance of Allowance for Doubtful Accounts and Impairment Reserve for Contract Assets
Total of the top 5 accounts receivable by balance	667,302,047		667,302,047	33.79%	5,853,011
Total	667,302,047		667,302,047	33.79%	5,853,011

5. Accounts Receivable Financing

(1) Classification of Accounts Receivable Financing

Item	Ending Balance	Beginning Balance
notes receivable	533,418,878	798,603,111
Total	533,418,878	798,603,111

6. Other receivables

Item	Ending Balance	Beginning Balance
Other Receivables	54,386,121	165,872,735
Total	54,386,121	165,872,735

(1) Other receivables

1) Classification of Other Receivables by Nature

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Nature of Receivables	Closing Book Balance	Opening Balance
Receivables from Talent Fund (Note)		171,000,000
Advances	31,323,273	31,056,939
Prepaid Purchases	10,366,164	10,366,164
Deposits	12,767,829	9,026,138
Contingency fund loans	743,145	567,991
Other	11,465,456	8,591,213
Total	66,665,867	230,608,445

Note: These funds constitute government subsidies granted to the Group. The Company entrusted its wholly-owned subsidiary, Yichang CSG Silicon Materials Co. Ltd., to receive these funds. The Yichang High-Tech Zone Administrative Committee disbursed the full amount of these funds to Yichang CSG Silicon Materials Co. Ltd. in 2014. Upon receipt of the funds, Yichang CSG Silicon Materials Co. Ltd. transferred the full amount to Yichang Hongtai Real Estate Co. Ltd. without obtaining proper approval from the Company's Board of Directors or other competent authorities at the time. Between February 21, 2014, and April 28, 2014, Yichang CSG Silicon Materials Co. Ltd. received the aforementioned funds and transferred the full amount to Yichang Hongtai Real Estate Co. Ltd.

On December 15, 2021, the Company filed a tort claim for damages against Zeng Nan and others, as well as Yichang Hongtai Real Estate Co. Ltd. The Shenzhen Intermediate Peoples Court formally accepted the case on January 28, 2022. The first-instance trial for this case was concluded at the Shenzhen Intermediate Peoples Court on June 21, 2022. On June 4, 2024, the Company received the first-instance "Civil Judgment" issued by the Shenzhen Intermediate Peoples Court, which dismissed all of the Company's claims. In June 2024, the Company filed an appeal with the Guangdong Higher Peoples Court. The second-instance trial was held at the Guangdong Higher Peoples Court on September 12, 2024. On December 3, 2025, the Company received the second-instance "Civil Judgment" issued by the Guangdong Higher Peoples Court, which dismissed the appeal and upheld the original judgment. In accordance with the principle of prudence, the Company has written off the entire carrying amount of the aforementioned other receivables, RMB 171 million, for the current fiscal year, fully reversed the corresponding deferred income of RMB 171 million, and simultaneously reversed the allowance for doubtful accounts of RMB 51.3 million previously recognized on an individual basis.

2) Disclosure by Age

Age	Closing Balance	Opening Balance
Within 1 year (including 1 year)	23,652,003	13,434,205
1 to 2 years	2,419,484	4,846,886
2 to 3 years	1,576,040	1,357,202
3 to 4 years	41,002	14,817,275
4 to 5 years	14,701,615	594,602
5+ years	24,275,723	195,558,275
Total	66,665,867	230,608,445

3) Disclosure by bad debt provision method

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Category	Carrying amount		Balance at end of period allowance for doubtful accounts		Carrying amount
	Amount	Percentage	Amount	Allowance Ratio	
Allowance for doubtful accounts on an individual basis	11,425,269	17%	11,425,269	100%	
Allowance for doubtful accounts by group	55,240,598	83%	854,477	2%	54,386,121
Of which:					
Non-affiliated portfolio	55,240,598	83%	854,477	2%	54,386,121
Total	66,665,867	100%	12,279,746	18%	54,386,121

Continued

Category	Carrying Balance		Beginning balance allowance for doubtful accounts		Carrying Value
	Amount	Ratio	Amount	Allowance Ratio	
Allowance for doubtful accounts on an individual basis	183,523,841	80%	63,823,841	35%	119,700,000
Allowance for doubtful accounts by portfolio	47,084,604	20%	911,869	2%	46,172,735
Of which:					
Non-affiliated portfolio	47,084,604	20%	911,869	2%	46,172,735
Total	230,608,445	100%	64,735,710	28%	165,872,735

Allowance for doubtful accounts calculated using the general expected credit loss model:

allowance for doubtful accounts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit losses over the entire life of the loan (no credit impairment losses)	Expected credit losses over the entire life of the loan (with credit impairment losses recognized)	
Balance as of January 1, 2025	911,869		63,823,841	64,735,710
Balance as of January 1, 2025, for the current period				
—Transferred to Phase 2				
—Transferred to Phase 3				
—Reversed to Phase 2				
—Reversed to Phase 1				
Accrual for the current period	-57,087		36,000	-21,087
Reversal for the period			51,333,817	51,333,817
Write-offs for the period				
Write-offs for the period	305		1,100,755	1,101,060

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

allowance for doubtful accounts	Stage 1	Stage 2	Stage 3
Other Changes			
Balance as of December 31, 2025	854,477		11,425,269 12,279,746

4) Details of the allowance for doubtful accounts made, recovered, or reversed during the current period

Allowance for doubtful accounts for the current period:

Category	Beginning Balance	Provision	Changes During the Period			Ending Balance
			Recovered or Reversed	Write-off or cancellation	Other	
Allowance for doubtful accounts—other receivables	64,735,710	-21,087	51,333,817	1,101,060		12,279,746
Total	64,735,710	-21,087	51,333,817	1,101,060		12,279,746

Reversal or recovery of allowance for doubtful accounts during the period

Entity Name	Reason for Reversal	Method of Recovery	Basis for the Original Allowance for Doubtful Accounts	Reversal or Recovery Amount
Yichang Hongtai Real Estate Co. Ltd.	Based on the outcome of litigation	Offset against other receivables and deferred income to reverse the previously recognized allowance for doubtful accounts	Based on the progress of the litigation	51,300,000

5) Details of other receivables actually written off during the current period

Item	Amount Written Off
Other Receivables	1,101,060

6) Top Five Other Receivables by Debtor at the End of the Period

Entity Name	Nature of the Amount	Ending Balance	Aging	Percentage of Total Other Receivables at End of Period	Ending Balance of Allowance for Doubtful Accounts
Government Agency A	Advances Paid	14,000,000	4–5 years	21%	280,000
Government Agency B	Advance payments	11,256,004	5 years or more	17%	225,120
Company C	Prepaid accounts	10,366,164	5 years or more	16%	10,366,164
Company D	Margin	1,800,000	5 years or more	3%	36,000
Company E	Margin, etc.	1,014,672	1–2 years	2%	20,293
Total		38,436,840		59%	10,927,577

7. Prepayments

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

(1) Prepayments by Age

Age	Ending Balance		Beginning Balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	133,269,406	99%	119,835,994	98%
1 to 2 years	1,402,146	1%	1,856,074	2%
2 to 3 years	98,476		14,430	
3+ years	1,966		1,766	
Total	134,771,994	100%	121,708,264	100%

(2) Top Five Prepayments by Payee at the End of the Period

Item	Balance	Percentage of Total Prepayments
Total of the Top Five Prepayments by Balance	87,432,091	65%

8. Inventories

(1) Classification of Inventories

Item	Book Value	Ending Balance		Beginning Balance		
		provision for inventory write-down	Carrying amount	Book balance	provision for inventory write-down	Carrying amount
Raw Materials	680,956,325	72,824,242	608,132,083	552,653,727	46,114,817	506,538,910
Work in progress	31,995,311		31,995,311	36,536,670		36,536,670
Inventory	1,281,629,525	32,037,860	1,249,591,665	1,007,594,584	51,140,704	956,453,880
Consumables	79,695,549	265,053	79,430,496	88,481,788	183,220	88,298,568
Total	2,074,276,710	105,127,155	1,969,149,555	1,685,266,769	97,438,741	1,587,828,028

(2) Provision for inventory write-downs and impairment of contract costs

Item	Beginning Balance	Increase for the Period		Decrease for the Period		Ending Balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	46,114,817	29,688,930		2,979,505		72,824,242
Inventory	51,140,704	55,783,044		74,885,888		32,037,860
Consumables	183,220	607,102		525,269		265,053
Total	97,438,741	86,079,076		78,390,662		105,127,155

9. Assets Held for Sale

Item	Balance at end of period			Balance at the end of the previous year		
	Carrying Amount	Impairment Allowance	Carrying amount	Carrying amount	Impairment allowance	Carrying amount

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Balance at end of period			Balance at the end of the previous year		
	Carrying Amount	Impairment Allowance	Carrying amount	Carrying amount	Impairment allowance	Carrying amount
(1) Non-current assets held for sale	5,262,859		5,262,859			
Total	5,262,859		5,262,859			

As of the end of the period, the status of assets held for sale:

Item	Carrying amount at the end of the period	Fair Value at End of Period	Estimated selling costs	Timing
Certain long-term assets of the subsidiary to be disposed of	5,262,859			
Total	5,262,859			

On December 25, 2025, Yichang Silicon Materials entered into a "Factory Building and Land Sale Contract" with Ningshi Yichang Material Technology Co. Ltd. (hereinafter referred to as "Yichang Ningshi") and Shenzhen Ningshi Material Technology Co. Ltd. (hereinafter referred to as "Shenzhen Ningshi"). Under the contract, Yichang Silicon Materials sold a portion of its factory buildings and land to Yichang Ningshi, with Shenzhen Ningshi providing a guarantee. As the transfer of ownership is expected to be completed within the next year, the factory buildings and land intended for sale have been classified as held for sale.

10. Other Current Assets

Item	Ending Balance	Beginning Balance
VAT to be Deducted	414,086,574	391,080,026
Advance Corporate Income Tax	3,481,337	57,078,630
Input tax pending certification	56,658,842	27,458,400
Total	474,226,753	475,617,056

11. Investment Properties

(1) Investment properties measured at fair value

Item	Buildings, structures, and land use rights	Total
I. Opening Balance	293,712,453	293,712,453
II. Changes During the Period	-7,567,066	-7,567,066
Add: Purchases		
Transfer from inventories/fixed assets/construction in progress	4,379,800	4,379,800
Other increases	6,234,198	6,234,198
Less: Disposals		
Other Outflows	9,136,007	9,136,007
Change in fair value	-9,045,057	-9,045,057
Other		

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Buildings, structures, and land use rights	Total
III. Ending Balance	286,145,387	286,145,387

12. Fixed Assets

Item	Ending Balance	Beginning Balance
fixed assets	13,897,777,933	13,166,391,449
Total	13,897,777,933	13,166,391,449

(1) Fixed Assets

Item	Buildings and Structures	Machinery and Equipment	Vehicles and Other Assets	Total
I. Book Value:				
1. Beginning Balance	7,049,609,664	15,871,544,555	404,381,198	23,325,535,417
2. Additions for the Period	646,364,004	1,470,483,990	24,518,278	2,141,366,272
(1) Purchases		22,155,458	9,438,951	31,594,409
(2) Transfer from construction in progress	646,364,004	1,434,569,371	14,891,627	2,095,825,002
(3) Other increases		13,759,161	187,700	13,946,861
3. Decreases for the period	12,220,833	1,063,195,681	8,334,737	1,083,751,251
(1) Disposal or Scrap	343,533	563,678,365	5,115,221	569,137,119
(2) Transferred to construction in progress		495,455,419		495,455,419
(3) Other decreases	11,877,300	4,061,897	3,219,516	19,158,713
4. Ending balance	7,683,752,835	16,278,832,864	420,564,739	24,383,150,438
II. Accumulated Depreciation				
1. Beginning Balance	1,628,365,539	6,643,333,962	308,589,547	8,580,289,048
2. Increase for the Period	243,918,881	932,605,842	45,446,129	1,221,970,852
(1) Accrued	243,918,881	919,667,675	45,446,129	1,209,032,685
(2) Other increases		12,938,167		12,938,167
3. Decreases for the period	4,962,019	570,604,201	5,915,508	581,481,728
(1) Disposal or Scrap	143,890	191,871,725	5,009,449	197,025,064
(2) Transferred to construction in progress		378,196,682		378,196,682
(3) Other decreases	4,818,129	535,794	906,059	6,259,982
4. Ending balance	1,867,322,401	7,005,335,603	348,120,168	9,220,778,172
III. Allowance for Impairment				
1. Beginning Balance	151,504,708	1,426,428,385	921,827	1,578,854,920
2. Increase for the Period		63,270,491	55,187	63,325,678
(1) Accrued		58,010,882	32,476	58,043,358
(2) Transfer from construction in progress		5,259,609	22,711	5,282,320

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Buildings and Structures	Machinery and Equipment	Vehicles and Other Assets	Total
3. Decrease for the period		377,506,023	80,242	377,586,265
(1) Disposal or retirement		357,629,563	80,242	357,709,805
(2) Other decreases		19,876,460		19,876,460
4. Ending balance	151,504,708	1,112,192,853	896,772	1,264,594,333
IV. Book Value				
1. Closing Book Value	5,664,925,726	8,161,304,408	71,547,799	13,897,777,933
2. Opening Book Value	5,269,739,417	7,801,782,208	94,869,824	13,166,391,449

(2) Fixed Assets for Which Property Certificates Have Not Been Obtained

Item	Book Value	Reasons for Not Having Obtained Property Certificates
Buildings and Structures	1,656,787,597	Documents have been submitted but the process has not yet been completed, or the relevant land use rights certificate has not yet been obtained.

(3) Impairment Testing of Fixed Assets

Recoverable amount is determined as the net amount of fair value less costs to sell

① Dongguan Solar-related assets:

Item	Carrying Amount	recoverable amount	Impairment Loss	Method of determining fair value and disposal costs	Key parameters	Basis for determining key parameters
fixed assets	12,635,514	2,706,170	9,929,344	Fair Value: Determined using the market price/cost method. Disposal Costs: Includes costs associated with the disposal of the asset	Market price, disposal costs	Market price: Determined based on the buyer's offer for the asset. Disposal costs: Refer to legal fees, relevant taxes, and direct costs incurred to bring the asset to a saleable condition.
Total	12,635,514	2,706,170	9,929,344			

Recoverable amount is determined based on the present value of estimated future cash flows

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

① Assets related to Yichang Silicon Materials:

Item	Carrying Amount	recoverable amount	Impairment Loss	Forecast Period (Years)	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining key parameters for the stable period
Asset groups comprising fixed assets, intangible assets, and construction in progress	1,258,140,300	1,106,805,400	151,334,900	Based on the remaining useful lives of the main production line equipment.	Future cash flows, discount rate	Future Cash Flows, Discount Rate	Future cash flows: Determined based on management's annual business plan and expectations regarding future market developments. Discount rate: A rate of return that reflects the time value of money in the current market and the specific risks associated with the relevant asset group.
Total	1,258,140,300	1,106,805,400	151,334,900				

13. Construction in Progress

Item	Ending Balance	Beginning Balance
construction in progress	4,420,551,577	5,350,375,132
Total	4,420,551,577	5,350,375,132

(1) Status of Construction in Progress

Item	Ending Balance		Opening Balance			
	Carrying Amount	Impairment Reserve	Carrying amount	Carrying amount	Impairment allowance	Carrying value
New 50,000-ton-per-year High-Purity Crystalline Silicon Project in Haixi Prefecture, Qinghai Province	3,520,172,785		3,520,172,785	3,644,745,822		3,644,745,822

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Ending Balance			Opening Balance		
Yichang South Glass Polysilicon Technical Upgrade Project	678,917,418	318,942,237	359,975,181	644,181,303	217,878,698	426,302,605
Beihai Photovoltaic Green Energy Industrial Park (Phase I) Project	14,962,741		14,962,741	373,394,252		373,394,252
Qingyuan South Glass Phase I Upgrade and Technical Renovation Project	235,404,361	130,014,062	105,390,299	233,127,020	126,553,412	106,573,608
Xianning Energy-Saving Production Line Renovation and Expansion Project	27,766,665		27,766,665	4,226,026		4,226,026
Dongguan Photovoltaic Building B 450 MW PERC Cell Technology Upgrade Project				186,866,743	184,998,076	1,868,667
Wujiang Float Glass (650TD) Photovoltaic Calendering Line Technical Upgrade Project				169,371,968		169,371,968
Chengdu South Glass 900T/D Line Cold Repair and Technical Upgrade Project				150,255,439		150,255,439
Other Projects	413,174,308	20,890,402	392,283,906	477,462,133	3,825,388	473,636,745
Total	4,890,398,278	469,846,701	4,420,551,577	5,883,630,706	533,255,574	5,350,375,132

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

(2) Changes in Significant Projects in the Stage of Construction in Progress During the Current Period

Project Name	Budgeted Amount	Opening Balance	Increase for the Period	Amount Transferred to Fixed Assets for the Period	Ending Balance	Percentage of Cumulative Project Expenditures Relative to Budget	Project Progress	Cumulative Amount of Capitalized Interest	Of which: Interest capitalized for the current period	Interest Capitalization Rate for the Period	Source of Funds
New 50,000-ton-per-year High-Purity Crystalline Silicon Project in Haixi Prefecture, Qinghai Province	4,498,192,210	3,644,745,822	362,179,930	486,752,967	3,520,172,785	90%	90%	106,450,782	55,810,415	3.65%	Equity and bank loans
Beihai Photovoltaic Green Energy Industrial Park (Phase I) Project	4,942,051,800	373,394,252	177,178,868	535,610,379	14,962,741	37%	37%	19,546,235	3,786,113	2.52%	Equity and loans from financial institutions
Total	9,440,244,010	4,018,140,074	539,358,798	1,022,363,346	3,535,135,526			125,997,017	59,596,528		

(3) Provision for Impairment of Construction in Progress for the Current Period

Item	Beginning Balance	Increase for the Period	Decreases for the Period	Ending Balance	Reason for Accrual
Qingyuan South Glass Phase I Upgrade and Technical Renovation Project	126,553,412	3,463,231	2,581	130,014,062	
Dongguan Photovoltaic Building B 450 MW PERC Cell Technology Upgrade Project	184,998,076		184,998,076		
Yichang South Glass Polysilicon Technical Upgrade Project	217,878,698	101,063,539		318,942,237	
Other Projects	3,825,388	20,633,562	3,568,548	20,890,402	
Total	533,255,574	125,160,332	188,569,205	469,846,701	

(4) Impairment Testing of Construction in Progress

Recoverable amount is determined based on the present value of estimated future cash flows

① For details on the impairment testing of assets related to Yichang Silicon Materials, please refer to Note 5, 12, (3) "Explanation of Impairment Testing of Fixed Assets"

② Assets related to Qingyuan New Materials:

Item	Carrying Amount	recoverable amount	Impairment Loss	Length of the forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining key parameters for the stable period
Asset groups comprising fixed assets, intangible assets, and construction in progress	204,033,369	200,570,138	3,463,231	Based on the remaining useful lives of the main production line equipment.	Future cash flows, discount rate	Future Cash Flows, Discount Rate	Future cash flows: Determined based on management's annual business plan and expectations regarding future market developments. Discount rate: A rate of return that reflects the time value of money in the current market and the specific risks associated with the relevant asset group.
Total	204,033,369	200,570,138	3,463,231				

14. Right-of-use assets

(1) Right-of-use assets

Item	Leased Land	Leased Buildings	Other Leases	Total
I. Book Value				
1. Beginning Balance	56,927,645	14,012,186	1,381,893	72,321,724
2. Additions for the Period	900,838	1,144,668	4,986,604	7,032,110
3. Decrease for the period		302,878	1,381,894	1,684,772
4. Ending balance	57,828,483	14,853,976	4,986,603	77,669,062
II. Accumulated Depreciation				
1. Beginning Balance	4,929,196	1,833,931	753,760	7,516,887
2. Additions for the Period	3,432,565	3,025,457	1,101,696	7,559,718
(1) Accrued	3,432,565	3,025,457	1,101,696	7,559,718
3. Decrease for the period		302,878	1,381,894	1,684,772
(1) Other		302,878	1,381,894	1,684,772
4. Ending balance	8,361,761	4,556,510	473,562	13,391,833
III. Allowance for Impairment				
IV. Carrying Amount				
1. Carrying Value at End of Period	49,466,722	10,297,466	4,513,041	64,277,229
2. Beginning Book Value	51,998,449	12,178,255	628,133	64,804,837

15. Intangible Assets

(1) Intangible Assets

Item	Land Use Rights	Patent Rights and Proprietary Technology	Mining Rights	Other	Total
I. Book Value					
1. Beginning Balance	1,480,861,000	563,753,185	1,091,671,546	82,211,586	3,218,497,317
2. Increase for the period	9,856		21,630,211	7,427,003	29,067,070
(1) Purchases			3,395,711	7,427,003	10,822,714
(2) Other	9,856		18,234,500		18,244,356
3. Decrease for the period	997,014			14,957	1,011,971
(1) Disposal				14,957	14,957
(2) Other	997,014				997,014
4. Ending balance	1,479,873,842	563,753,185	1,113,301,757	89,623,632	3,246,552,416
II. Accumulated Amortization					
1. Beginning balance	323,924,132	297,207,127	117,798,289	60,979,526	799,909,074
2. Increase for the period	33,115,034	32,092,821	78,638,733	6,438,835	150,285,423

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Land Use Rights	Patent Rights and Proprietary Technology	Mining Rights	Other	Total
(1) Accrued	33,115,034	32,092,821	78,638,733	6,438,835	150,285,423
3. Decrease for the period	381,986			14,957	396,943
(1) Disposal				14,957	14,957
(2) Other	381,986				381,986
4. Ending balance	356,657,180	329,299,948	196,437,022	67,403,404	949,797,554
III. Allowance for Impairment					
1. Beginning Balance		57,299,776		13,374	57,313,150
2. Additions for the Period		1,400,245			1,400,245
(1) Accrued		1,400,245			1,400,245
3. Decrease for the period					
4. Ending balance		58,700,021		13,374	58,713,395
IV. Book Value					
1. Closing Book Value	1,123,216,662	175,753,216	916,864,735	22,206,854	2,238,041,467
2. Opening book value	1,156,936,868	209,246,282	973,873,257	21,218,686	2,361,275,093

(2) Status of Land Use Rights for Which Property Certificates Have Not Been Obtained

Item	Book Value	Reasons for Failure to Obtain Property Certificates
Land Use Rights	3,883,432	The Company's management believes that there are no material legal obstacles to obtaining the relevant land use right certificates, nor will this have a material adverse effect on the Group's operations.

16. Goodwill

(1) Carrying amount of goodwill

Name of investee or transaction giving rise to goodwill	Opening balance	Increases for the period	Decreases for the Period	Ending balance
Tianjin Energy Conservation Company	3,039,946			3,039,946
Xianning Optoelectronics Company	4,857,406			4,857,406
Shenzhen Display Company	389,494,804			389,494,804
Guangdong Licheng Company	696,000			696,000
Total	398,088,156			398,088,156

(2) Provision for impairment of goodwill

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Name of investee or transaction giving rise to goodwill	Beginning balance	Increases for the Period	Decreases for the Period	Ending Balance
Shenzhen Display Company	389,494,804			389,494,804
Xianning Optoelectronics Company		4,857,406		4,857,406
Guangdong Licheng Company		696,000		696,000
Total	389,494,804	5,553,406		395,048,210

17. Long-term prepaid expenses

Item	Beginning Balance	Increase for the Period	Amortization for the Period	Other Decreases	Ending Balance
Prepaid Expenses	71,254,985	11,542,414	14,152,886		68,644,513
Total	71,254,985	11,542,414	14,152,886		68,644,513

18. Deferred Tax Assets/Deferred Tax Liabilities

(1) Unoffset deferred tax assets

Item	Balance at end of period		Beginning Balance	
	Deductible Temporary Differences	deferred tax assets	Deductible temporary differences	deferred tax assets
Provision for impairment of assets	839,388,016	126,353,744	909,339,984	136,694,548
Tax-deductible losses	1,508,798,676	254,703,877	1,040,260,054	177,300,541
Government grants	195,036,329	31,338,741	230,038,184	34,948,104
Accrued expenses	10,211,362	1,531,704	8,572,883	1,285,932
Depreciation of fixed assets and other	119,021,783	19,050,717	142,759,612	22,098,978
Total	2,672,456,166	432,978,783	2,330,970,717	372,328,103

(2) Unoffset deferred tax liabilities

Item	Balance at end of period		Opening balance	
	Taxable temporary differences	deferred tax liabilities	Taxable temporary differences	deferred tax liabilities
Depreciation of fixed assets	432,135,880	65,072,669	493,147,552	74,317,475
investment properties	360,690,653	90,172,663	368,745,675	92,186,419
Total	792,826,533	155,245,332	861,893,227	166,503,894

(3) Deferred tax assets or liabilities presented on a net basis

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Net amount of deferred tax assets and liabilities at the end of the period	Closing balance of deferred tax assets or liabilities after offsetting	Opening offsetting amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offsetting
deferred tax assets	64,742,133	368,236,650	62,333,037	309,995,066
deferred tax liabilities	64,742,133	90,503,199	62,333,037	104,170,857

(4) Breakdown of Unrecognized Deferred Tax Assets

Item	Ending Balance	Beginning Balance
Deductible temporary differences	699,815,573	1,093,221,903
Tax loss carryforwards	889,564,368	430,583,379
Total	1,589,379,941	1,523,805,282

(5) Unrecognized deferred tax assets arising from tax loss carryforwards will expire in the following years

Year	Balance at end of period	Opening Balance	Remarks
2025		191,372,556	
2026	88,733,863	88,733,863	
2027	58,698,233	58,698,233	
2028	4,961,547	4,961,547	
2029	86,817,180	86,817,180	
2030	650,353,545		
Total	889,564,368	430,583,379	

19. Other Non-Current Assets

Item	Ending Balance		Beginning Balance			
	Carrying Amount	Impairment Reserve	Carrying amount	Carrying amount	Impairment allowance	Carrying value
Prepaid Construction and Equipment Costs	126,386,549		126,386,549	92,818,456		92,818,456
Prepaid land transfer fees	6,510,000		6,510,000	6,510,000		6,510,000
Large-Denomination Certificates of Deposit	60,000,000		60,000,000			
Total	192,896,549		192,896,549	99,328,456		99,328,456

20. Assets with Restricted Ownership or Right-of-Use

Item	End of Period			Restriction Status
	Carrying amount	Carrying Amount	Type of Restriction	

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	End of Period			
Cash and Cash Equivalents	136,004,824	136,004,824	Restricted due to margin requirements, freezes, etc.	Cash and cash equivalents
notes receivable	734,789,756	734,789,756	Restricted due to pledges	notes receivable
inventories	50,000,000	50,000,000	Restricted due to freeze	inventories
construction in progress	939,958,261	939,958,261	Restricted finance leases	construction in progress
Total	1,860,752,841	1,860,752,841		

Continued

Item	Beginning			Restriction Status
	Book Balance	Carrying Value	Restriction Type	
Cash and Cash Equivalents	53,654,096	53,654,096	Restricted due to margin, freezing, etc.	Cash and cash equivalents
notes receivable	871,417,785	871,417,785	Restricted due to pledges	notes receivable
fixed assets	411,546,518	96,468,240	Restricted finance leases	fixed assets
construction in progress	618,442,257	618,442,257	Restricted finance leases	construction in progress
Total	1,955,060,656	1,639,982,378		

21. Short-term borrowings

(1) Classification of Short-Term Borrowings

Item	Ending Balance	Beginning Balance
Secured Loans	396,418,363	510,679,484
Unsecured loans	24,500,000	39,000,000
Discounted bills	437,729,966	313,341,815
Super-short-term financing notes	300,000,000	300,000,000
Total	1,158,648,329	1,163,021,299

22. Notes Payable

Type	Ending Balance	Beginning Balance
Commercial acceptances	342,035,440	295,136,551
Banker's acceptances	2,084,167,324	1,861,933,756
Supply chain finance bills	131,509,887	87,343,448
Total	2,557,712,651	2,244,413,755

23. Accounts Payable

(1) Presentation of Accounts Payable

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Ending Balance	Beginning Balance
Accounts Payable for Materials	1,065,072,111	936,163,974
Accounts Payable for Equipment	613,282,161	930,083,183
Accounts Payable for Construction	775,838,641	995,409,551
Freight payable	200,777,789	172,397,226
Utility expenses payable	91,758,503	47,104,510
Other	23,016,758	10,867,353
Total	2,769,745,963	3,092,025,797

(2) Significant accounts payable that are more than one year past due or overdue

Item	Balance at end of period	Reason for non-repayment or carryover
Construction and equipment payments, etc.	968,012,028	Not yet settled because the final accounting for the relevant projects has not been completed.
Total	968,012,028	

24. Other payables

Item	Ending balance	Beginning Balance
Interest Payable	13,362,151	8,946,479
Dividends Payable	34,482,724	
Other payables	321,668,864	303,870,052
Total	369,513,739	312,816,531

(1) Interest payable

Item	Ending balance	Beginning Balance
Interest on long-term borrowings with interest paid in installments and principal repaid at maturity	8,022,216	7,929,612
Interest payable on short-term borrowings	5,339,935	1,016,867
Total	13,362,151	8,946,479

(2) Dividends Payable

Item	Ending Balance	Beginning Balance
Dividends Payable to Minority Shareholders	34,482,724	
Total	34,482,724	

(3) Other payables

1) Other Payables by Nature

Item	Ending Balance	Beginning Balance
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CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Ending Balance	Beginning Balance
Deposits and guarantees received	157,634,269	200,015,615
Accrued operating cost (i)	70,850,325	62,190,968
Accrued service fees	7,626,829	7,240,931
Receivables collected on behalf of others	25,866,213	7,913,094
Amounts Payable to Minority Shareholders	40,967,489	10,800,000
Other	18,723,739	15,709,444
Total	321,668,864	303,870,052

(i) This item primarily includes expenses that have been incurred but for which invoices had not yet been received as of the end of the period, including utility charges, professional service fees, and travel expenses.

25. Contract Liabilities

Item	Balance at End of Period	Beginning Balance
contract liabilities	369,377,265	354,215,784
Total	369,377,265	354,215,784

26. Employee Compensation Payable

(1) Presentation of Employee Compensation Payable

Item	Beginning Balance	Increases for the Period	Decreases for the Period	Ending Balance
I. Short-Term Compensation	340,816,562	1,814,088,711	1,845,188,357	309,716,916
II. Post-Employment Benefits—Defined Contribution Plan		190,124,935	190,124,935	
III. Severance Benefits	6,952,904	33,922,969	20,650,811	20,225,062
Total	347,769,466	2,038,136,615	2,055,964,103	329,941,978

(2) Short-term compensation breakdown

Item	Beginning Balance	Increases for the Period	Decreases for the Period	Ending Balance
1. Wages, Bonuses, Allowances, and Subsidies	313,268,258	1,657,234,003	1,691,895,457	278,606,804
2. Social insurance premiums		83,105,278	83,105,278	
Of which: Medical insurance premiums		71,532,210	71,532,210	
Workers' compensation insurance premiums		10,155,623	10,155,623	
Maternity insurance premiums		1,417,445	1,417,445	
3. Housing Provident	1,181,170	53,045,562	53,510,032	716,700

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Beginning Balance	Increases for the Period	Decreases for the Period	Ending Balance
Fund				
4. Trade Union Funds and Employee Education Funds	26,367,134	20,703,868	16,677,590	30,393,412
Total	340,816,562	1,814,088,711	1,845,188,357	309,716,916

(3) Schedule of Provisions

Item	Beginning Balance	Increases for the Period	Decreases for the Period	Ending Balance
1. Basic Pension Insurance		182,498,713	182,498,713	
2. Unemployment Insurance		7,626,222	7,626,222	
Total		190,124,935	190,124,935	

27. Taxes Payable

Item	Ending Balance	Beginning Balance
Value-Added Tax	32,598,517	25,325,222
Corporate Income Tax	14,251,334	24,126,663
Individual Income Tax	4,952,943	5,589,497
Urban Maintenance and Construction Tax	1,601,704	1,398,523
Education Surcharge	1,367,782	1,150,913
Property Tax	11,179,665	8,439,364
Environmental Protection Tax	1,183,032	1,331,521
Other	6,677,625	6,326,659
Total	73,812,602	73,688,362

28. Non-current liabilities due within one year

Item	Balance at end of period	Beginning Balance
Long-term borrowings due within one year	1,678,481,868	2,081,081,249
Long-term payables due within one year	199,423,536	84,003,271
Lease liabilities due within one year	3,922,656	3,772,437
Total	1,881,828,060	2,168,856,957

29. Other Current Liabilities

Item	Ending Balance	Beginning Balance
Input VAT to be transferred	40,910,486	40,029,672
Bills not meeting the criteria for derecognition	279,706,391	178,499,661
Total	320,616,877	218,529,333

30. Long-term borrowings

(1) Classification of Long-Term Borrowings

Item	Ending Balance	Beginning Balance
Secured Loans	5,487,134,015	6,020,234,621
Unsecured loans	3,074,210,000	2,212,455,100
Subtotal	8,561,344,015	8,232,689,721
Less: Long-term borrowings due within one year	1,678,481,868	2,081,081,249
Total	6,882,862,147	6,151,608,472

31. Lease Liabilities

Item	Ending Balance	Beginning Balance
Lease Liabilities	26,980,539	25,423,044
Less: Lease liabilities due within one year	3,922,656	3,772,437
Total	23,057,883	21,650,607

32. Long-term payables

Item	Ending Balance	Beginning Balance
Long-term payables	594,270,580	464,617,473
Total	594,270,580	464,617,473

(1) Long-term payables disclosed by nature

Item	Ending balance	Beginning Balance
Lease Payables	793,694,116	548,620,744
Less: Long-term payables due within one year	199,423,536	84,003,271
Total	594,270,580	464,617,473

33. Provisions

Item	Ending Balance	Opening Balance	Reason for Recognition
Pending Litigation	8,615,460	915,847	
Asset retirement obligations	18,763,409	12,221,373	Estimated mine reclamation costs
Total	27,378,869	13,137,220	

34. Deferred Income

Item	Beginning Balance	Increases for the Period	Decreases for the Period	Other decreases for the period	Ending Balance	Source
Government grants	487,252,038	26,290,800	39,025,612	173,446,115	301,071,111	
Total	487,252,038	26,290,800	39,025,612	173,446,115	301,071,111	

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

For details on other decreases in this period, please refer to Note 5.6, "Notes to Other Receivables."

35. Share Capital

Item	Beginning Balance	Changes for the Period (Increase/Decrease)					Ending Balance
		Issuance of New Shares	Bonus Shares	Conversion of capital reserves into shares	Other	Subtotal	
Total Number of Shares	3,070,692,107						3,070,692,107

36. Treasury Stock

Item	Beginning Balance	Increases for the Period	Decreases for the Period	Ending Balance
Treasury Stock		296,770,027		296,770,027
Total		296,770,027		296,770,027

37. Capital Surplus

Item	Beginning Balance	Increases for the Period	Decreases for the Period	Ending Balance
Capital Premium (Share Capital Premium)	649,166,589			649,166,589
Other capital surplus	-58,427,175			-58,427,175
Total	590,739,414			590,739,414

38. Other Comprehensive Income

Item	Beginning Balance	Current Period Transactions				Ending Balance
		Current Period Amount Before Income Tax	Less: Income Tax Expense	Profit (Loss) After Tax Attributable to the Parent Company	Net income attributable to minority interest	
I. Other comprehensive income reclassified to profit or loss	159,726,269	-8,895,381	13,980	-8,909,361		150,816,908
Foreign currency translation adjustments	14,983,507	-8,988,580		-8,988,580		5,994,927
Government Incentives for Energy-Saving Technology Upgrades	2,550,000					2,550,000
investment properties	142,192,762	93,199	13,980	79,219		142,271,981

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Beginning Balance	Current Period Transactions			Ending Balance
Total other comprehensive income	159,726,269	-8,895,381	13,980	-8,909,361	150,816,908

39. Special Reserve

Item	Beginning Balance	Increases for the Period	Decreases for the Period	Ending Balance
Workplace Safety Expenses	5,079,628	7,946,664	6,723,382	6,302,910
Total	5,079,628	7,946,664	6,723,382	6,302,910

40. Surplus Reserve

Item	Beginning Balance	Increase for the Period	Decreases for the Period	Ending Balance
Legal Reserve Surplus	1,357,661,614	49,200,046		1,406,861,660
Discretionary surplus reserve	127,852,568			127,852,568
Total	1,485,514,182	49,200,046		1,534,714,228

41. Retained Earnings

Item	Current Period	Previous Period
Retained earnings at the end of the prior period before adjustments	8,224,198,195	8,806,549,788
Retained earnings at the beginning of the period after adjustment	8,224,198,195	8,806,549,788
Plus: Net profit attributable to owners of the parent for the current period	125,668,291	266,772,318
Less: Transfer to statutory surplus reserve	49,200,046	81,450,884
Dividends payable on common stock	211,673,022	767,673,027
Retained earnings at end of period	8,088,993,418	8,224,198,195

42. Operating Revenue and Operating Cost

Item	Current Period Amount		Prior Period Amount	
	Revenue	Cost	Revenue	Cost
Operating revenue	13,571,813,382	11,647,730,791	15,351,552,313	12,811,720,914
Other Operations	147,155,626	67,149,309	103,834,088	36,919,045
Total	13,718,969,008	11,714,880,100	15,455,386,401	12,848,639,959

(1) Operating Revenue and Operating Costs by Industry (or Product Type)

Major Product Type (or Industry)	Current Period Amount		Prior Period Amount	
	Revenue	Cost	Revenue	Cost

Main Business:

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Major Product Type (or Industry)	Current Period Amount		Prior Period Amount	
	Revenue	Cost	Revenue	Cost
Glass Industry	12,149,319,116	10,436,726,457	13,671,134,232	11,313,169,916
Electronic Glass and Display Devices Industry	1,200,226,669	1,019,932,750	1,391,322,432	1,189,561,202
Solar and Other Industries	406,706,232	378,525,730	548,058,756	572,472,166
Unclassified Industry Types	3,015,511	-	4,519,263	
Inter-segment eliminations	-187,454,146	-187,454,146	-263,482,370	-263,482,370
Subtotal	13,571,813,382	11,647,730,791	15,351,552,313	12,811,720,914
Other operations:				
Sales of raw materials and other items	147,155,626	67,149,309	103,834,088	36,919,045
Subtotal	147,155,626	67,149,309	103,834,088	36,919,045
Total	13,718,969,008	11,714,880,100	15,455,386,401	12,848,639,959

(2) Operating Revenue and Operating Cost by Region

Major Operating Regions	Current Period Amount		Amount for the Previous Period	
	Revenue	Cost	Revenue	Cost
Mainland China	12,128,781,752	10,416,823,308	14,255,356,141	11,855,024,119
Overseas	1,590,187,256	1,298,056,792	1,200,030,260	993,615,840
Subtotal	13,718,969,008	11,714,880,100	15,455,386,401	12,848,639,959

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

(3) Revenue from core business operations and cost of core business operations by date of goods transfer

Item	Current Period Amount									
	Glass Industry		Electronic Glass and Display Devices Industry		Solar and Other Industries		Unallocated Industry Type		Inter-segment eliminations	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
Operating										
Of which:										
Recognized at a specific point in time	12,149,319,116	10,436,726,457	1,200,226,669	1,019,932,750	406,706,232	378,525,730	3,015,511	-	-187,454,146	-187,454,146
Total	12,149,319,116	10,436,726,457	1,200,226,669	1,019,932,750	406,706,232	378,525,730	3,015,511	-	-187,454,146	-187,454,146

43. Taxes and Surcharges

Item	Current Period Amount	Previous Period Amount
Property Tax	54,688,800	50,594,269
Urban Maintenance and Construction Tax	22,901,209	21,781,715
Education Surcharge	19,427,786	18,446,019
Land Use Tax	20,143,873	24,601,056
Stamp Tax	9,289,575	9,553,533
Environmental Protection Tax	4,782,790	5,673,578
Other	15,268,076	7,321,105
Total	146,502,109	137,971,275

44. General and Administrative Expenses

Item	Current Period Amount	Prior Period Amount
Employee Compensation	410,894,980	413,885,190
Depreciation and Amortization	176,016,765	209,095,206
Office expenses	28,022,520	32,571,052
Union dues	19,718,661	23,248,791
Entertainment and hospitality expenses	15,585,343	19,390,764
Consulting fees	17,931,720	19,853,200
Cafeteria expenses	9,868,097	11,110,572
Travel expenses	10,013,106	10,625,851
Utilities	6,985,382	8,026,076
Vehicle usage fees	4,052,741	4,879,841
Rental expenses	1,294,118	1,143,636
Other	39,973,838	37,191,654
Total	740,357,271	791,021,833

45. Selling expenses

Item	Current Period Amount	Prior Period Amount
Employee Compensation	205,866,079	217,698,108
Entertainment and Hospitality Expenses	17,678,206	21,955,401
Travel expenses	12,871,714	14,159,772
Sample costs	9,525,527	5,569,396
Rental fees	6,914,758	9,854,040
Depreciation	2,970,493	1,614,884
Advertising expenses	2,634,339	2,153,306
Transportation expenses	2,631,270	2,548,728

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Current Period Amount	Prior Period Amount
Office expenses	2,009,017	2,897,472
Insurance premiums	1,443,170	1,588,780
Vehicle usage fees	756,766	967,835
Other	29,590,343	8,395,140
Total	294,891,682	289,402,862

46. Research and Development Expenses

Item	Current Period Amount	Prior Period Amount
Research and development expenses	519,332,680	611,497,261
Total	519,332,680	611,497,261

47. Financial Expenses

Item	Current Period Amount	Prior Period Amount
Interest Expense	247,130,850	240,388,865
Interest income	-40,278,639	-55,326,006
Foreign exchange gains and losses	1,062,479	-8,852,269
Other	9,295,186	7,754,393
Total	217,209,876	183,964,983

48. Other income

Source of Other Income	Current Period Amount	Prior Period Amount
Amortization of Government Grants	39,025,612	34,615,832
Tax incentives and rewards	52,405,395	96,754,148
Industrial Support Fund	1,498,020	17,051,187
Government Incentive Funds	66,380,707	57,941,749
Research funding grants	4,360,855	7,006,266
Other	6,353,960	8,478,892
Total	170,024,549	221,848,074

49. Gain on Fair Value Changes

Source of gain on changes in fair value	Current period amount	Prior period amount
Investment properties measured at fair value	-9,045,057	-491,578
Total	-9,045,057	-491,578

50. Investment income

Item	Current Period Amount	Prior Period Amount
Investment income from financial assets held for trading	5,671,986	416,636
Gain on debt restructuring	2,073,495	6,238,075

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Current Period Amount	Prior Period Amount
Interest on discounted notes	-19,002,010	-9,182,820
Income from time deposits, etc.	166,431	924,109
Total	-11,090,098	-1,604,000

51. Credit impairment losses (losses are reported with a "-" sign)

Item	Current Period Amount	Prior Period Amount
Bad debt loss on notes receivable	-1,424,545	852,654
Bad debt loss on accounts receivable	2,941,723	21,524,234
Bad debt loss on other receivables	51,354,904	1,778,032
Total	52,872,082	24,154,920

52. Asset impairment losses (enter loss amounts with a "-" sign)

Item	Current Period Amount	Prior Period Amount
Loss on inventory write-downs and impairment of contract costs	-86,079,076	-147,120,976
Asset impairment losses on fixed assets	-58,043,358	-256,805,904
Impairment loss on construction in progress	-105,283,872	-174,171,999
Asset impairment losses on intangible assets	-1,400,245	-2,983,345
Goodwill impairment loss	-5,553,406	
Total	-256,359,957	-581,082,224

53. Gain (Loss) on Disposal of Assets (Losses are indicated with a "-")

Source of Gain on Disposal of Assets	Current Period Amount	Prior Period Amount
Gain (Loss) on Disposal of Non-Current Assets (Enter "-" for a loss)	19,981,685	42,232,656

54. Non-operating income

Item	Current Period Amount	Amount for the Previous Period	Amount Included in Non-recurring Income for the Current Period
Uncollectible Amounts	42,798,021	10,593,402	42,798,021
Claim proceeds	5,257,937	1,938,925	5,257,937
Gain on disposal of non-current assets	2,482,496	1,489,005	2,482,496
Insurance claims	1,869,798	72,058	1,869,798
Other	5,975,760	5,815,607	2,230,565
Total	58,384,012	19,908,997	54,638,817

55. Non-operating expenses

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Current Period Amount	Amount for the Previous Period	Amount Included in Non-recurring Profit or Loss for the Current Period
Loss on Disposal of Non-Current Assets	1,558,791	22,160,548	1,558,791
Penalty expenses	2,366,609	575,828	2,366,609
Compensation expenses	2,871,301	1,013,847	2,871,301
Donation expenses	459,600	462,800	459,600
Other	4,231,138	2,735,149	4,073,740
Total	11,487,439	26,948,172	11,330,041

56. Income Tax Expense

(1) Income Tax Expense Statement

Item	Current Period Amount	Prior Period Amount
Current Period Income Tax Expense	65,664,150	125,152,481
Deferred income tax expense	-71,923,222	-81,846,123
Total	-6,259,072	43,306,358

(2) Adjustments to Accounting Profit and Income Tax Expense

Item	Current Period Amount
Total Profit	99,075,067
Income Tax Expense Calculated at Statutory/Applicable Tax Rate	19,034,404
Impact of non-deductible costs, expenses, and losses	8,383,277
Impact of utilizing prior-period unrecognized deferred tax assets	-843,336
Effect of deductible temporary differences or deductible losses for which deferred tax assets were not recognized in the current period	39,435,406
Adjustment for the impact of prior-period income taxes	3,712,372
Effect of tax incentives	-75,981,195
income tax expense	-6,259,072

57. Cash Flow Statement Items

(1) Cash from operating activities

Other cash received from operating activities

Item	Current Period Amount	Prior Period Amount
Government Grants	116,637,398	189,142,655
Interest income	34,960,054	54,681,500
Other	42,974,962	27,755,176
Total	194,572,414	271,579,331

Cash paid for other operating activities

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Current Period Amount	Prior Period Amount
Operating Deposits and Guarantees	51,398,907	154,507,379
Office expenses	42,547,196	47,234,629
Cafeteria expenses	43,915,225	42,078,234
Entertainment and hospitality expenses	34,336,128	45,392,810
Insurance premiums	22,486,062	13,196,436
Maintenance expenses	34,375,538	35,860,743
Travel expenses	32,632,784	36,278,144
Rental expenses	16,707,876	11,266,039
Vehicle usage fees	4,955,222	6,562,858
Consulting fees	19,501,104	20,715,630
Bank fees	6,373,373	4,916,361
Other	105,966,189	102,546,498
Total	415,195,604	520,555,761

(2) Cash from investing activities

Other cash outflows from investing activities

Item	Current Period Amount	Prior Period Amount
Deposits and guarantees paid	73,284,281	46,621,319
Total	73,284,281	46,621,319

Cash paid for significant investing activities

Item	Current Period Amount	Prior Period Amount
Expenditures on construction projects	1,023,280,563	2,338,449,565
Expenditures on Financial Investments	4,708,224,786	555,254,000
Total	5,731,505,349	2,893,703,565

(3) Cash from financing activities

Other cash received from financing activities

Item	Current Period Amount	Prior Period Amount
Lease payments received	354,424,862	458,231,000
Loans from minority shareholders	20,000,000	
Total	374,424,862	458,231,000

Cash paid for other financing activities

Item	Current Period Amount	Prior Period Amount
Buyback of treasury stock	296,770,027	

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Current Period Amount	Prior Period Amount
Repayment of lease payments	190,398,600	111,060,234
Funding deposits and guarantees		600,000
Financing fees	288,799	986,281
Repayment of minority shareholder loans	1,600,000	1,200,000
Total	489,057,426	113,846,515

Changes in Liabilities Arising from Financing Activities

Item	Beginning balance	Increases during the period		Decreases for the Period		Ending Balance
		Cash Flow	Non-cash changes	Cash movements	Non-cash changes	
short-term borrowings	1,163,021,299	1,355,290,927	6,223,216	1,342,096,759	23,790,354	1,158,648,329
Long-term borrowings (including long-term borrowings due within one year)	8,232,689,721	4,014,996,072		3,686,341,778		8,561,344,015
Total	9,395,711,020	5,370,286,999	6,223,216	5,028,438,537	23,790,354	9,719,992,344

58. Supplementary Information to the Statement of Cash Flows

(1) Supplementary Information to the Statement of Cash Flows

Supplementary Information	Current Period Amount	Prior Period Amount
1. Reconciliation of Net Profit to Cash Flows from Operating Activities		
net profit	105,334,139	247,600,543
Add: Provision for asset impairment	203,487,875	556,927,304
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	1,209,032,685	1,168,318,243
Depreciation of right-of-use assets	7,559,718	4,347,065
Amortization of intangible assets	150,285,423	146,945,804
Amortization of deferred expenses	14,152,886	9,224,629
Loss (gain) on disposal of fixed assets, intangible assets, and other long-term assets (gain shown with a "-" sign)	-20,905,390	-21,561,113
Loss (gain) from changes in fair value (enter gain with a "-" sign)	9,045,057	491,578
Financial expenses (gains are reported with a "-" sign)	247,130,850	240,388,865
Investment loss (gains indicated with a "-")	11,090,098	1,604,000
Decrease (increase shown with a "-" sign) in deferred tax assets	-58,241,584	-86,970,035

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Supplementary Information	Current Period Amount	Prior Period Amount
Increase (decrease; enter with a "-" sign) in deferred tax liabilities	-13,681,638	5,123,912
Decrease in inventories (enter "-" for an increase)	-467,400,603	-144,724,209
Decrease in operating receivables (enter increases with a "-" sign)	-141,905,898	286,095,997
Increase in operating payables (decreases are indicated with a "-")	-116,382,985	-663,594,879
Other	7,946,664	6,705,945
Net cash flow from operating activities	1,146,547,297	1,756,923,649
2. Net Change in Cash and Cash Equivalents:		
Cash balance at the end of the period	2,981,170,323	3,367,873,386
Less: Beginning cash balance	3,367,873,386	3,051,261,655
Net increase in cash and cash equivalents	-386,703,063	316,611,731

(2) Composition of Cash and Cash Equivalents

Item	Balance at end of period	Beginning Balance
I. Cash	2,981,170,323	3,367,873,386
Of which: Cash on hand	151,026	
Bank deposits available for immediate payment	2,981,011,937	3,367,873,386
Other monetary funds available for immediate payment	7,360	
II. Cash and Cash Equivalents at the End of the Period	2,981,170,323	3,367,873,386

(3) Monetary funds other than cash and cash equivalents

Item	Current Period Amount	Prior Period Amount	Reason for exclusion from cash and cash equivalents
Other monetary funds	136,004,824	53,654,096	Restricted cash, such as security deposits
Other monetary funds	24,800,000		Maturity withdrawals from time deposits
Total	160,804,824	53,654,096	

59. Foreign Currency Monetary Items

(1) Foreign currency monetary items

Item	Foreign Currency Balance at End of Period	Conversion Rate	Closing RMB Balance
Cash and cash equivalents			65,572,248
Of which: U.S. dollars	5,568,471	7.0288	39,139,672
Euro	50,750	8.2355	417,955
HKD	6,152,996	0.9032	5,557,386

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Foreign Currency Balance at End of Period	Conversion Rate	Closing RMB Balance
Japanese Yen	6,422,500	0.0448	287,728
Dirham	10,572,015	1.9071	20,161,890
Singapore dollars	710	5.4606	3,877
Australian dollars	798	4.6867	3,740
accounts receivable			333,252,360
Of which: U.S. dollars	46,138,533	7.0288	324,298,519
Euro	834,785	8.2355	6,874,875
HKD	2,301,778	0.9032	2,078,966
accounts payable			19,447,781
Of which: US dollars	2,512,221	7.0288	17,657,897
Euro	78,982	8.2355	650,459
Japanese yen	22,842,344	0.0448	1,023,337
Pounds	11,000	9.4346	103,781
HKD	13,626	0.9032	12,307

60. Lease

(1) The Company as Lessee

In 2025, the Group's lease expenses for short-term leases or leases of low-value assets accounted for RMB 13,159,768

Circumstances involving sale-and-leaseback transactions

In 2025, total cash outflows related to sale-and-leaseback transactions amounted to RMB 67,126,582

VI. Research and Development Expenditures

Item	Current period amount	Prior Period Amount
Materials	267,824,661	295,364,150
Labor	184,223,164	241,042,562
Expenses and other	67,284,855	75,090,549
Total	519,332,680	611,497,261
Of which: Expensed research and development expenses	519,332,680	611,497,261

VII. Changes in the scope of consolidation

1. Changes in the scope of consolidation due to other reasons

(1) On March 31, 2025, the Group established CSG VINA COMPANY LIMITED (CSG Vietnam Co., Ltd.). As of December 31, 2025, the Group had not made any capital contributions, and the Group holds 100% of its shares;

(2) On May 23, 2025, the Group established CSG MIDDLE EAST FOR GLASS INDUSTRY-L.L.C-S.P.C (CSG (Middle East) Glass Industry Co., Ltd.). As of December 31, 2025, the Group had not made any capital contributions, and the Group held 100% of its shares;

(3) Changshu South Glass New Energy Co., Ltd. and Zhuhai South Glass Commercial Factoring Co., Ltd. were deregistered in July 2025 and August 2025, respectively, and are no longer included in the scope of consolidation.

VIII. Interests in Other Entities

1. Interests in Subsidiaries

(1) Composition of the Corporate Group

Name of Subsidiary	Registered Capital	Principal Place of Business	Place of Registration	Nature of Business	Ownership Percentage		Method of Acquisition
					Direct	Indirect	
Chengdu South Glass Company	260,000,000	Chengdu, China	Chengdu, China	Development, production, and sales of various special glass products	75%	25%	Established
Sichuan Energy Conservation Company	180,000,000	Chengdu, China	Chengdu, China	Glass Processing	75%	25%	Continuing Division
Tianjin Energy Conservation Company	336,000,000	Tianjin, China	Tianjin, China	Glass Processing	75%	25%	Established
Dongguan Engineering Company	270,000,000	Dongguan, China	Dongguan, China	Glass Processing	77.78%	22.22%	Established
Dongguan Solar Company	480,000,000	Dongguan, China	Dongguan, China	Manufacture and sale of special glass and solar glass	75%	25%	Established
Dongguan Photovoltaic Company	516,000,000	Dongguan, China	Dongguan, China	Manufacturing and sales of high-tech green battery products and their components	100%		Established
Yichang Silicon Materials Company	1,467,980,000	Yichang, China	Yichang, China	Manufacture and sale of high-purity silicon materials	75%	25%	Established
Wujiang Engineering Company	320,000,000	Wujiang, China	Wujiang, China	Glass Processing	75%	25%	Established
Hebei South Glass Company (Note 1)	48,066,000	Yongqing, China	Yongqing, China	Manufacturing and selling various types of special glass	75%	25%	Established
Wujiang South Glass Company	565,041,798	Wujiang, China	Wujiang, China	Manufacture and sale of special glass and solar glass	100%		Established

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Name of Subsidiary	Registered Capital	Principal Place of	Place of Registration	Nature of Business	Ownership Percentage	Method of Acquisition
CSG Hong Kong Co. Ltd. (Note 2)	86,440,000	Hong Kong, China	Hong Kong, China	Investment holding	100%	Established
Xianning Float Glass Company	235,000,000	Xianning, China	Xianning, China	Manufacture and sale of special glass and solar glass	75% 25%	Established
Xianning Energy Conservation Company	215,000,000	Xianning, China	Xianning, China	Glass Processing	75% 25%	Continuing Division
Qingyuan Energy Conservation Company	1,055,000,000	China Qingyuan	Qingyuan, China	Manufacture and sale of various types of ultra-thin electronic glass	100%	Established
Shenzhen CSG Financial Leasing Co. Ltd.	300,000,000	Shenzhen, China	Shenzhen, China	Financial leasing business, etc.	75% 25%	Established
Jiangyou Sand Mining Company	100,000,000	Jiangyou, China	Jiangyou, China	Production and sale of silica sand and its by-products	100%	Established
Shenzhen Display Company	143,000,000	Shenzhen, China	Shenzhen, China	Manufacturing and sales of display components	60.8%	Purchase
Zhaoqing Energy Conservation Company	200,000,000	Zhaoqing, China	Zhaoqing, China	Glass Processing	100%	Established
Zhaoqing Automobile Company	200,000,000	Zhaoqing, China	Zhaoqing, China	Glass Processing	100%	Established
Anhui New Energy Company	1,750,000,000	Fengyang, China	Fengyang, China	Manufacture and sale of solar glass	100%	Established
Anhui Quartz Company	75,000,000	Fengyang, China	Fengyang, China	Quartzite mining and processing	100%	Established
Anhui Silicon Valley Mingdu Mining Co., Ltd.	360,000,000	Fengyang, China	Fengyang, China	Mining	60%	Established
Xi'an Energy Conservation Company	150,000,000	Xi'an, China	Xi'an, China	Glass Processing	55% 45%	Established
Qinghai New Energy Company	1,350,000,000	Delingha, China	Delingha, China	Manufacture and sale of high-purity silicon materials	100%	Established
Guangxi New Energy Materials Company	850,000,000	Beihai, China	Beihai, China	Manufacture and sale of solar glass	75% 25%	Established

Note (1): The registered capital of Hebei South Glass is denominated in U.S. dollars

Note (2): The registered capital of South Glass (Hong Kong) Co., Ltd. is denominated in Hong Kong dollars

IX. Government Grants

1. Liability items related to government grants

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Accounting Item	Beginning Balance	New subsidy amount for the current period	Amount Recognized as Non-operating Income for the Period	Amount transferred to other income for the period	Other Changes for the Period	Ending balance	Related to assets/income
deferred income	487,252,038	26,290,800		39,025,612	173,446,115	301,071,111	Related to assets/income
Total	487,252,038	26,290,800		39,025,612	173,446,115	301,071,111	

2. Government grants recognized in current period profit or loss

Account	Current Period Amount	Prior Period Amount
Amortization of Government Grants	39,025,612	34,615,832
Other government grants	88,014,938	95,443,375
Total	127,040,550	130,059,207

X. Risks Related to Financial Instruments

The Group's principal financial instruments include cash and cash equivalents, notes receivable, accounts receivable, receivables financing, other receivables, non-current assets due within one year, other current assets, notes payable, accounts payable, other payables, short-term borrowings, financial liabilities held for trading, non-current liabilities due within one year, long-term borrowings, bonds payable, lease liabilities, and long-term payables. Details of each financial instrument are disclosed in the relevant notes. The risks associated with these financial instruments, as well as the Group's risk management policies to mitigate these risks, are described below. The Group's management manages and monitors these risk exposures to ensure that the aforementioned risks are kept within defined limits.

1. Risk Management Objectives and Policies

The primary risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (including foreign exchange risk, interest rate risk, and commodity price risk).

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

The Group has established risk management policies to identify and analyze the risks it faces, set appropriate risk tolerance levels, and design corresponding internal control procedures to monitor the Group's risk levels. The Group periodically reassesses these risk management policies and related internal control systems to adapt to changes in market conditions or the Group's business operations. The internal audit department also conducts regular and ad hoc reviews to verify whether the implementation of internal control systems complies with risk management policies.

The Board of Directors is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and related guidelines, and overseeing the implementation of risk management measures. The Group has established risk management policies to identify and analyze the risks it faces; these policies clearly define specific risks and cover various aspects, including market risk, credit risk, and liquidity risk management. The Group regularly assesses changes in the market environment and its business operations to determine whether to update its risk management policies and systems. The Group's risk management is carried out by

relevant departments in accordance with policies approved by the Board of Directors. These departments identify, evaluate, and mitigate relevant risks through close collaboration with other business units within the Group.

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

(1) Credit Risk

Credit risk refers to the risk that the Group will incur financial losses due to a counterparty's failure to fulfill its contractual obligations.

The Group manages credit risk by classifying it into portfolios. Credit risk primarily arises from bank deposits, notes receivable, accounts receivable, and other receivables.

The Group's bank deposits are primarily held with state-owned banks and other large and medium-sized listed banks; the Group does not anticipate any significant credit risk associated with these bank deposits.

For notes receivable, accounts receivable, other receivables, and long-term receivables, the Group has established relevant policies to control credit risk exposure. The Group assesses customers' creditworthiness based on their financial condition, credit history, and other factors such as current market conditions, and sets corresponding credit terms accordingly. The Group regularly monitors customers' credit records. For customers with poor credit records, the Group takes measures such as issuing written payment reminders, shortening credit terms, or revoking credit terms to ensure that the Group's overall credit risk remains within manageable limits.

The debtors of the Group's accounts receivable are customers distributed across various industries and regions. The Group continuously conducts credit assessments of the financial status of accounts receivable and purchases credit insurance when appropriate.

The Group's maximum credit risk exposure is the carrying amount of each financial asset on the balance sheet. The Group has not provided any other guarantees that may expose the Group to credit risk. Among the Group's accounts receivable, the top five customers (primarily photovoltaic glass customers) account for 34% of the Group's total accounts receivable (2024: 33%). These customers are all industry leaders with good credit standing, and the Group's risk of non-collection is relatively low; Among the Group's other receivables, the five largest companies by outstanding amount account for 59% of the Group's total other receivables (2024: 90%).

(2) Liquidity Risk

Liquidity risk refers to the risk that the Group may face a shortage of funds when fulfilling obligations settled by the delivery of cash or other financial assets.

In managing liquidity risk, the Group maintains and monitors cash and cash equivalents that management deems sufficient to meet the Group's operating needs and mitigate the impact of cash flow fluctuations. The Group's management monitors the utilization of bank borrowings and ensures compliance with loan agreements. Additionally, the Group has obtained commitments from major

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

financial institutions to provide sufficient standby funding to meet both short-term and long-term funding needs.

At the end of the period, the Group's financial liabilities and off-balance-sheet guarantees were analyzed by maturity of undiscounted remaining contractual cash flows as follows (in RMB):

Item	Balance at the end of the period				Total
	Within one year	1 to 2 years	2 to 5 years	Over five years	
Financial liabilities:					
short-term borrowings	1,165,192,348				1,165,192,348
Notes Payable	2,557,712,651				2,557,712,651
accounts payable	2,769,745,963				2,769,745,963
Other payables	369,513,739				369,513,739
Non-current liabilities due within one year	1,908,963,192				1,908,963,192
Other current liabilities	320,616,877				320,616,877
long-term borrowings	190,509,552	2,421,324,285	4,527,652,848	235,668,787	7,375,155,472
Lease liabilities		2,873,893	5,631,404	14,552,586	23,057,883
Long-term payables		176,868,078	417,402,502		594,270,580
Total financial liabilities and contingent liabilities	9,282,254,322	2,601,066,256	4,950,686,754	250,221,373	17,084,228,705

As of the end of the previous year, the Group's financial liabilities and off-balance-sheet guarantees were analyzed by maturity of undiscounted remaining contractual cash flows as follows (in RMB):

Item	Opening Balance				Total
	Within one year	1 to 2 years	2 to 5 years	Over five years	
Financial liabilities:					
short-term borrowings	1,175,046,211				1,175,046,211
Notes Payable	2,244,413,755				2,244,413,755
accounts payable	3,092,025,797				3,092,025,797
Other payables	312,816,531				312,816,531
Non-current liabilities due within one year	2,210,464,448				2,210,464,448
Other current liabilities	218,529,333				218,529,333
long-term borrowings	190,373,964	2,772,567,174	2,866,975,537	861,770,244	6,691,686,919
Lease liabilities		2,947,236	5,549,939	13,153,432	21,650,607
Long-term payables		115,153,592	302,856,111	46,607,770	464,617,473

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Opening Balance					
Total Financial Liabilities and Contingent Liabilities	9,443,670,039	2,890,668,002	3,175,381,587	921,531,446	16,431,251,074	

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

(3) Market Risk

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

Interest Rate Risk

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

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

The Group closely monitors the impact of interest rate fluctuations on its interest rate risk. The Group currently does not have an interest rate hedging policy. However, management is responsible for monitoring interest rate risk and will consider hedging significant interest rate risks when necessary. Rising interest rates would increase the cost of new interest-bearing debt and the interest expense on the Group's outstanding floating-rate interest-bearing debt, and could have a material adverse effect on the Group's financial performance. Management will make timely adjustments based on the latest market conditions; such adjustments may include arranging interest rate swaps to mitigate interest rate risk.

The Group holds the following interest-bearing financial instruments (in RMB):

Item	Balance at End of Period	Opening Balance
Fixed-Rate Contracts	975,348,358	1,078,169,155
Floating-rate contracts	5,907,513,789	5,073,439,317
Total	6,882,862,147	6,151,608,472

For financial instruments held at the balance sheet date that expose the Group to fair value interest rate risk, the impact on net profit and equity in the above sensitivity analysis reflects the effect of remeasuring these financial instruments at new interest rates, assuming a change in interest rates at the balance sheet date. For floating-rate non-derivative instruments held at the balance sheet date that expose the Group to cash flow interest rate risk, the impact on net profit and equity in the sensitivity

analysis above represents the effect of such interest rate changes on estimated annual interest expense or income. The analysis for the previous year is based on the same assumptions and methods.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign exchange risk may arise from financial instruments denominated in currencies other than the functional currency.

Foreign exchange risk primarily arises from the impact of fluctuations in foreign exchange rates on the Group's financial position and cash flows. Except for assets denominated in Hong Kong dollars held by the Group's subsidiary established in Hong Kong, the proportion of foreign currency assets and liabilities held by the Group relative to total assets and liabilities is not material. Therefore, the Group considers the foreign exchange risk it faces to be immaterial.

At the end of the period, the amounts of the Group's foreign currency financial assets and foreign currency financial liabilities converted into RMB are as follows (in RMB):

Item	Foreign Currency Liabilities		Foreign Currency Assets	
	Balance at the end of the period	Opening Balance	Ending Balance	Opening balance
USD	17,657,897	26,836,924	363,438,191	104,808,255
HKD	12,307	67,954	7,636,352	13,218,722
Other	1,777,577	1,535,781	27,750,065	6,949,045
Total	19,447,781	28,440,659	398,824,608	124,976,022

The Group closely monitors the impact of exchange rate fluctuations on its foreign exchange risk. Management is responsible for monitoring foreign exchange risk and will consider hedging significant foreign exchange risks when necessary.

As of December 31, 2025, for the Group's various U.S. dollar-denominated financial assets and liabilities, if the RMB appreciates or depreciates by 10% against the U.S. dollar, with all other factors remaining constant, the Group's net profit would decrease or increase by approximately RMB 29,391,325 (December 31, 2024: decrease or increase of approximately RMB 6,627,563).

2. Capital Management

The objective of the Group's capital management policy is to ensure the Group's ability to continue as a going concern, thereby providing returns to shareholders and benefiting other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

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

The Group monitors its capital structure based on the debt-to-asset ratio (i.e., total liabilities divided by total assets). At the end of the period, the Group's debt-to-asset ratio was 57% (end of the previous year: 55%).

XI. Disclosures on Fair Value

1. Fair value of assets and liabilities measured at fair value at the end of the period

Item	Fair value at the end of the period			Total
	Level 1 Fair Value Measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
I. Fair Value Measurement on an Ongoing Basis	--	--	--	--
Structured Deposits		230,000,000		230,000,000
Accounts Receivable			533,418,878	533,418,878
Financing investment properties			286,145,387	286,145,387
Total		230,000,000	819,564,265	1,049,564,265

During the current year, there were no reclassifications between Level 1 and Level 2 in the fair value measurement of the Group's financial assets and financial liabilities, nor were there any transfers into or out of Level 3.

For financial instruments traded in active markets, the Group determines their fair value based on active market quotes; for financial instruments not traded in active markets, the Group uses valuation techniques to determine their fair value. The valuation models used primarily include discounted cash flow models and market comparable company models. Input values for valuation techniques mainly include risk-free rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums, and illiquidity discounts.

(1) Quantitative information regarding significant unobservable inputs used in Level 3 fair value measurements

Equity Instrument	Fair value at the end of the period	Valuation technique	Unobservable Inputs	Range (weighted average)
Receivables Financing	533,418,878	Income Approach (Option Pricing Model)	Volatility, counterparty credit risk, own credit risk	0%–2%
Industrial, commercial, residential, and office real estate	286,145,387	Standard Value Method/Comparable Sales Method, Income Approach	Gross floor area of properties by use, market unit price of properties by use, land price growth rate, development intensity	

XII. Related Parties and Related-Party Transactions

1. Information on the Company's Parent Company

The Company has no parent company

2. Information on the Company's Subsidiaries

For details regarding the Company's subsidiaries, please refer to Note 8, "Interests in Subsidiaries."

3. Joint Ventures and Associates

The Company has no joint ventures or associates.

4. Other Related Parties

Names of Other Related Parties	Relationship between Other Related Parties and the Company
Qianhai Life Insurance Co. Ltd.	The Company's Largest Shareholder
Qianhai Life Xian Hospital Co. Ltd.	An affiliate of the Company's largest shareholder
Qianhai Life Guangzhou General Hospital Co. Ltd.	Affiliate of the Company's Largest Shareholder
Shenzhen Hongtu Construction Co. Ltd.	An affiliate of the Company's largest shareholder
Suzhou Baoqi Logistics Co. Ltd.	An affiliate of the Company's largest shareholder
Shenzhen Jinsheng Supply Chain Co. Ltd.	Affiliate of the Company's Largest Shareholder

5. Related-Party Transactions

(1) Related-party transactions involving the purchase and sale of goods, and the provision and receipt of services

Table of Purchases of Goods/Receipt of Services

Related Party	Details of Related-Party Transactions	Amount for the Current Period	Transactions from the Previous Period
Qianhai Life Insurance Co. Ltd.	Services Received	6,968,275	7,291,935
Qianhai Life Guangzhou General Hospital Co. Ltd.	Received Services	222,896	401,585
Total		7,191,171	7,693,520

Statement of Sales of Goods/Provision of Services

Related Parties	Details of Related-Party Transactions	Current Period Amount	Prior Period Amount
Qianhai Life Xian Hospital Co. Ltd.	Sales of Goods		1,786,505
Other Related Parties	Sales of goods	4,113	109,067
Total		4,113	1,895,572

Compensation for Key Management Personnel

Item	Current Period Amount	Prior Period Amount
Compensation	10,424,800	14,541,200

6. Accounts Receivable and Payable from Related Parties

(1) Accounts Receivable

Item Name	Related Party	Ending Balance		Beginning Balance	
		Carrying Amount	allowance for doubtful accounts	Carrying amount	allowance for doubtful accounts
accounts receivable	Shenzhen Hongtu Construction Co. Ltd.	7,890,900	7,496,355	8,652,356	7,382,793
accounts receivable	Shenzhen Jinsheng Supply Chain Co. Ltd.	22,090	20,986	22,090	20,986
Prepaid Expenses	Qianhai Life Insurance Co. Ltd.	563,932		602,449	
Total		8,476,922	7,517,341	9,276,895	7,403,779

(2) Accounts Payable

Item Name	Related Party	Ending Book Value	Opening Balance
Payables	Suzhou Baoqi Logistics Co. Ltd.	300,000	300,000
Other payables	Qianhai Life Insurance Co. Ltd.	40,000	46,646
contract liabilities	Other related parties	360,758	483,657
Total		700,758	830,303

XIII. Commitments and Contingencies

1. Significant Commitments

The following are the Group's capital expenditure commitments as of the balance sheet date that have been contracted but do not yet require recognition in the financial statements:

Item	Balance at End of Period	Opening Balance
Buildings, Structures, and Machinery and Equipment	226,478,660	903,669,511

2. Contingencies

(1) Significant contingent liabilities as of the balance sheet date

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

Plaintiff	Defendant	Subject Matter	Court	Amount in Dispute	Case Status
Jiangsu Huajian Construction Co., Ltd. (Note 1)	CSG Suzhou Corporate Headquarters Management Co. Ltd.	Construction Contract Dispute	Wujiang District People's Court of Suzhou City	20,560,667	Pending
Hefei Construction Engineering Group Co., Ltd. (Note 2)	Anhui CSG New Energy Materials Technology Co. Ltd.	Construction Contract Dispute	Hefei Intermediate People's Court	42,124,294	Pending
Sichuan Shuncheng Construction	Anhui CSG New Energy Materials Technology Co.	Construction Contract Dispute	Fengyang County Peoples Court	31,972,688	Pending

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Plaintiff	Defendant	Subject Matter	Court	Amount in Dispute	Case Status
(Group) Co., Ltd. (Note 3)	Ltd.				
Jiangsu Construction Group Co., Ltd. (Note 4)	Zhongyi Energy Technology Ltd.	Anhui CSG New Materials Co. Construction Contract Dispute	Fengyang County Peoples Court	37,539,794	Pending

Note 1: There is a dispute regarding construction payments between CSG Suzhou Corporate Headquarters Management Co. Ltd. and Jiangsu Huajian Construction Co., Ltd. As of the date of this report, the case is pending.

Note 2: Anhui New Energy and Hefei Construction Group Co., Ltd. are involved in a dispute over construction payments. As of the date of this report's announcement, the case is pending.

Note 3: Anhui New Energy and Sichuan Shuncheng Construction (Group) Co., Ltd. are involved in a dispute over construction payments. As of the date of this report's announcement, the case is pending.

Note 4: Anhui New Energy and Jiangsu Zhongyi Construction Group Co., Ltd. are involved in a dispute regarding construction payments. As of the date of this report's announcement, the case is pending.

XIV. Events Subsequent to the Balance Sheet Date

Profit Distribution After the Balance Sheet Date

Proposed Dividend Per 10 Shares (RMB)	0.2
Profits or dividends declared and approved for distribution	59,792,609

XV. Other Important Matters

1. Segment Information

(1) Basis for Determining Reportable Segments and Accounting Policies

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

The Group's reportable segments include:

- The Glass Segment, responsible for the production and sale of float glass products, photovoltaic glass products, architectural glass products, and silica sand required for glass production.
- The Electronic Glass and Display Segment, responsible for the production and sale of display components and specialty ultra-thin glass products, among others.
- The Solar and Other Segment, which is responsible for the production and sale of polysilicon and solar cell module products, photovoltaic energy development, and other products.

- Other unallocated segments.

Segment reporting information is disclosed in accordance with the accounting policies and measurement criteria used by each segment when reporting to management; these accounting policies and measurement bases are consistent with those used in preparing the financial statements.

(2) Financial Information for Reportable Segments

Item	Glass Industry	Electronic Glass and Display Devices	Solar and Other Industries	Unallocated Amount	Inter-segment eliminations	Total
Revenue from external transactions	12,198,305,391	1,138,346,327	379,301,779	3,015,511		13,718,969,008
Inter-segment revenue	81,290,149	79,643,029	59,503,703	269,995,991	-490,432,872	
Interest expense	140,569,618	17,994,944	8,372,954	80,193,334		247,130,850
Depreciation and amortization	1,014,805,801	222,205,483	132,951,559	11,067,869		1,381,030,712
Total Profit	336,388,128	-26,474,240	-236,222,662	25,383,841		99,075,067
Total Assets	19,949,759,565	2,846,975,724	6,954,240,410	1,554,053,136		31,305,028,835
Total Liabilities	10,606,189,469	482,366,164	3,060,172,962	3,601,612,658		17,750,341,253
Increase in non-current assets	783,231,721	2,437,089	459,167,066	2,670,327		1,247,506,203

XVI. Notes to Major Items in the Company's Financial Statements

1. Accounts Receivable

(1) Disclosure by Age

Age	Closing Book Balance	Opening Balance
Within 1 year (including 1 year)	274,825,872	110,153,840
Total	274,825,872	110,153,840

(2) Disclosure by bad debt provision method

Category	Ending Balance				Carrying amount	Beginning Balance				Carrying amount
	Carrying Amount		allowance for doubtful accounts			Balance on the books		allowance for doubtful accounts		
	Amount	Ratio	Amount	Provision Ratio		Amount	Ratio	Amount	Provision Ratio	
Accounts receivable for which allowance for	274,825,872	100%			274,825,872	110,153,840	100%			110,153,840

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Category	Ending Balance		Beginning Balance	
doubtful accounts is calculated by group				
Total	274,825,872	100%	274,825,872	110,153,840 100%
				110,153,840

(3) Top Five Accounts Receivable and Contract Assets by Debtor at the End of the Period

Company Name	End-of-Period Balance of Accounts Receivable	End-of-Period Balance of Contract Assets	End-of-Period Balance of Accounts Receivable and Contract Assets	Percentage of Total End-of-Period Balance of Accounts Receivable and Contract Assets	Ending Balance of Allowance for Doubtful Accounts and Impairment Reserve for Contract Assets
Total of the top 5 accounts receivable by balance	274,825,872		274,825,872	100%	
Total	274,825,872		274,825,872	100%	

2. Other receivables

Item	Ending Balance	Beginning Balance
Dividends Receivable	27,873,015	
Other receivables	2,824,626,577	2,342,796,700
Total	2,852,499,592	2,342,796,700

(1) Dividends receivable

Nature of the item	Ending Balance	Beginning Balance
Dividends receivable from subsidiaries	27,873,015	
Total	27,873,015	

(2) Other Receivables

1) Classification of other receivables by nature

Nature of Receivables	Closing Book Balance	Opening Balance
Amounts due from related parties	2,819,243,388	2,222,025,032
Other	5,436,095	172,093,539
Total	2,824,679,483	2,394,118,571

2) Disclosure by Age of Receivables

Age	Ending Book Balance	Opening balance
Within 1 year (including 1 year)	2,234,430,826	2,036,223,049

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Age	Ending Book Balance	Opening balance
Over 1 year	590,248,657	357,895,522
Total	2,824,679,483	2,394,118,571

3) Disclosure by bad debt provision method

Category	Carrying amount		Ending balance allowance for doubtful accounts		Carrying amount
	Amount	Percentage	Amount	Allowance Ratio	
Allowance for doubtful accounts on an individual basis	36,000		36,000	100%	
Allowance for doubtful accounts by portfolio	2,824,643,483	100%	16,906		2,824,626,577
Of which:					
Related party consolidation	2,819,243,388	100%			2,819,243,388
Non-related party portfolio	5,400,095		16,906	0.31%	5,383,189
Total	2,824,679,483	100%	52,906		2,824,626,577

Continued

Category	Carrying Balance		Beginning Balance allowance for doubtful accounts		Carrying Value
	Amount	Ratio	Amount	Allowance Ratio	
Allowance for doubtful accounts on an individual basis	171,000,000	7%	51,300,000	30%	119,700,000
Allowance for doubtful accounts by portfolio	2,223,118,571	93%	21,871		2,223,096,700
Of which:					
Related party portfolio	2,222,025,032	93%			2,222,025,032
Non-related party portfolio	1,093,539		21,871	2%	1,071,668
Total	2,394,118,571	100%	51,321,871	2%	2,342,796,700

Allowance for doubtful accounts calculated using the general expected credit loss model:

allowance for doubtful accounts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit losses over the entire life of the loan (no credit impairment losses)	Expected credit losses over the entire life of the loan (with credit impairment losses recognized)	
Balance as of January 1, 2025	21,871		51,300,000	51,321,871
Balance as of January 1, 2025, during the current period				

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

	Stage 1	Stage 2	Stage 3	Total
allowance for doubtful accounts				
—Transferred to Phase 2				
—Transferred to Phase 3				
—Transferred back to Phase 2				
—Reversed to Phase 1				
Accrual for the current period	-4,965		36,000	31,035
Reversal for the period			51,300,000	51,300,000
Write-offs for the period				
Other changes				
Balance as of December 31, 2025	16,906		36,000	52,906

4) Details of the allowance for doubtful accounts made, recovered, or reversed during the current period

Allowance for doubtful accounts for the current period:

Category	Beginning Balance	Changes for the Period				Ending Balance
		Provision	Recovered or Reversed	Write-off or cancellation	Other	
Allowance for doubtful accounts—other accounts receivable	51,321,871	31,035	51,300,000			52,906
Total	51,321,871	31,035	51,300,000			52,906

5) Top Five Other Receivables by End-of-Period Balance, Grouped by Debtor

Company Name	Nature of the payment	Ending Balance	Aging	Percentage of Total Other Receivables at End of Period	Ending balance of allowance for doubtful accounts
Entity A	Advances	843,509,575	Within 1 year	30%	
Entity B	Advance payment	321,456,270	Within 1 year	11%	
Entity C	Advance payment	249,400,642	Within 1 year	9%	
Unit D	Advance payment	232,307,777	Within 2 years	8%	
Unit E	Advance payment	228,596,521	Within 2 years	8%	
Total		1,875,270,785		66%	

3. Long-term equity investment

Item	Ending Balance		Beginning Balance			
	Carrying Amount	Impairment Allowance	Carrying amount	Carrying amount	Impairment allowance	Carrying amount

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item		Ending Balance			Beginning Balance		
Investment subsidiaries	in	10,552,821,440	15,000,000	10,537,821,440	10,565,321,440	15,000,000	10,550,321,440
Total		10,552,821,440	15,000,000	10,537,821,440	10,565,321,440	15,000,000	10,550,321,440

(1) Investments in subsidiaries

Investee	Beginning balance (Carrying amount)	Opening balance of impairment allowance	Changes during the period				Ending balance (Carrying Amount)	Closing balance of impairment allowance
			Additional Investments	Decrease Investment	Provision for impairment	Other		
Chengdu Glass Company	151,397,763					151,397,763		
Sichuan Energy Conservation Company	119,256,949					119,256,949		
Tianjin Energy Conservation Company	247,833,327					247,833,327		
Dongguan Engineering Company	222,276,243					222,276,243		
Dongguan Solar Company	355,120,247					355,120,247		
Dongguan Photovoltaic Company	604,099,854					604,099,854		
Yichang Silicon Materials Company	909,960,170					909,960,170		
Wujiang Engineering Company	254,401,190					254,401,190		
Hebei South Glass Company	266,189,705					266,189,705		
CSG Hong Kong Co. Ltd.	87,767,304					87,767,304		
Wujiang Glass Company	567,645,430					567,645,430		
Jiangyou CSG Mining Development Co. Ltd.	102,415,096					102,415,096		
Xianning Float Glass Company	181,116,277					181,116,277		
Xianning Energy Conservation Company	165,452,035					165,452,035		
Qingyuan Energy Conservation Company	885,273,105					885,273,105		

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Investee	Beginning balance	Opening balance of	Changes during the period		Ending balance (Carrying)	Closing balance of
Shenzhen CSG Financial Leasing Co. Ltd.	133,500,000				133,500,000	
Shenzhen Display Devices Co., Ltd.	550,765,474				550,765,474	
Zhaoqing Energy Conservation Company	200,000,000				200,000,000	
Zhaoqing CSG Automotive Glass Co. Ltd.	159,959,074				159,959,074	
Anhui New Energy Company	1,750,000,000				1,750,000,000	
Anhui Quartz Company	75,000,000				75,000,000	
Anhui CSG Silicon Valley Mingdu Mining Development Co. Ltd.	216,000,000				216,000,000	
Xi'an Energy Conservation Company	82,500,000				82,500,000	
Guangxi New Energy Materials Company	600,000,000		37,500,000		637,500,000	
CGCC (Suzhou) Corporate Headquarters Management Co., Ltd.	30,000,000				30,000,000	
Shenzhen CSG Quartz Material Industry Co. Ltd.	40,000,000				40,000,000	
Shenzhen CSG New Energy Industry Development Co. Ltd.	1,350,000,000				1,350,000,000	
Other	242,392,197	15,000,000		50,000,000	192,392,197	15,000,000
Total	10,550,321,440	15,000,000	37,500,000	50,000,000	10,537,821,440	15,000,000

4. Operating Revenue and Operating Cost

Item	Current Period Amount		Prior Period Amount	
	Revenue	Cost	Revenue	Cost
Operating revenue	3,015,511		4,519,263	
Other Operations	269,611,579		334,155,915	
Total	272,627,090		338,675,178	

5. Investment income

CSG Holding Co., Ltd.
Notes to the Financial Statements
2025 (Unless otherwise stated, all amounts are in RMB)

Item	Current Period Amount	Prior Period Amount
Investment income on long-term equity investments accounted for using the cost method	457,149,469	777,322,478
Investment income on disposal of long-term equity investments	-4,363,221	-1,104,772
Investment income from financial assets held for trading	5,671,986	416,636
Income from time deposits, etc.	166,431	924,109
Total	458,624,665	777,558,451

XVII. Supplementary Information

1. Schedule of Non-recurring Gains and Losses for the Current Period

Item	Amount	Description
Gain (Loss) on Disposal of Non-Current Assets	20,905,390	
Government grants recognized in current period profit or loss (excluding government grants closely related to the Company's normal business operations, in compliance with national policies, received in accordance with established criteria, and having a continuing impact on the Company's profit or loss)	127,410,847	
Gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses arising from the disposal of financial assets and financial liabilities, excluding effective hedging transactions related to the Company's normal business operations	5,838,417	
Reversal of impairment reserves for receivables tested individually	67,384,016	
Gains or losses on debt restructuring	214,501	
Gains or losses arising from changes in the fair value of investment properties measured using the fair value model	-9,045,057	
Other non-operating income and expenses, other than those listed above	42,385,071	
Less: Income tax effect	20,746,804	
Impact on non-controlling interests (after tax)	1,477,174	
Total	232,869,207	

2. Return on Equity and Earnings Per Share

Profit for the Reporting Period	Weighted Average Return on Equity	Earnings per Share	
		Basic Earnings Per Share (RMB/share)	Diluted Earnings Per Share (RMB/share)
Net profit attributable to common shareholders	0.92%	0.04	0.04
Net profit attributable to common shareholders of the Company, excluding non-recurring gains and losses	-0.79%	-0.04	-0.04

CSG Holding Co., Ltd.

April 24, 2026