

CSG HOLDING CO., LTD.

THE THIRD QUARTER REPORT 2012



Chairman of the Board:

ZENG NAN

October 2012

THE THIRD QUARTER REPORT 2012

I. Important Note

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

All the directors are present the meeting of the Board for deliberating the Third Quarter Report of the Company in person.

The third quarter financial report of 2012 has not been audited.

Chairman of the Board & CEO of the Company Mr. Zeng Nan, CFO Mr. Luo Youming and principle of the financial department Mr. Huang Yanbing hereby confirm the truthfulness and completeness of the Financial Report in the Third Quarter Report of 2012.

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

II. Company Profile

(I) Main accounting data and indices

Whether retrospective adjustment has been carried out on financial reports of previous periods or not

Yes No Non-applicable

	30 September 2012	31 December 2011	Increase/decrease (%)	
Total assets(RMB)	14,789,459,548	15,281,391,077	-3.22%	
Owners' equity attributable to shareholders of the listed company(RMB)	6,943,464,422	6,911,117,984	0.47%	
Share capital(Share)	2,075,335,560	2,075,837,060	-0.02%	
Net assets per share attributable to shareholder of listed company (RMB/ Share)	3.35	3.33	0.60%	
	The 3rd quarter of 2012	Increase/Decrease in comparison with the same period of 2011	From 1 January to 30 September 2012	Increase/Decrease in comparison with the same period of 2011
Total business revenue(RMB)	1,947,809,464	-5.80%	5,293,059,949	-18.65%
Net profit attributable to shareholders of the listed company (RMB)	156,677,476	-42.49%	402,770,661	-63.72%
Net cash flow arising from operating activities(RMB)	--	--	1,382,917,631	12.28%
Net cash flow per share arising from operating activities (RMB/Share)	--	--	0.67	13.56%
Basic earnings per share (RMB/Share)	0.08	-38.46%	0.19	-64.15%
Diluted earnings per share (RMB/Share)	0.08	-38.46%	0.19	-64.15%
Weighted average ROE (%)	2.27%	Decrease 1.84 percentage points	5.83%	Decrease 10.93 percentage points
Weighted average ROE after deducting non-recurring gains/losses (%)	2.09%	Decrease 1.79 percentage points	3.84%	Decrease 12.11 percentage points

Non-recurring items deducted and amounts

√Applicable □ Non-applicable

Items	Amount from the beginning of year to the end of the report period(RMB)	Note
Gains and losses from disposal of non-current assets	4,589,287	
Tax refund or exemption approved out of authorization, or without official approval document		
Governmental subsidy calculated into current gains and losses (excluding the fixed-amount or fixed-proportion governmental subsidies closely related to the business of the company according to the unified national standard)	77,908,002	
Fund occupation expenses received from non-financial enterprises that reckon into current gains/losses		
Income occurred when investment cost paid by enterprise for obtaining subsidiaries, associates and joint ventures are lower than its share in fair value of net realizable assets of invested units		
Gains and losses from exchange of non-monetary assets		
Gains and losses from entrusted investment or management assets		
Various asset impairment reserve provided for force majeure, such as natural disaster;		
Gains/losses from debt reorganization		
Reorganization expenses, such as expenditure for allocation of employees and integration fee		
Gains and losses from excess of transaction which are conducted on a non-fair-valued basis over its fair value		
Current net gains and losses of subsidiaries occurred from combination under the same control commencing from period-begin to combination date		
Gains and losses from contingent events which has no relation with normal business of the Company		
Gains and losses from change of fair values of held-for-transaction financial assets and financial liabilities except for the effective hedge business related to normal business of the Company, and investment income from disposal of transactional financial assets and liabilities and financial assets available for sale	360,000	
Reversal of impairment reserve for account receivable with separate impairment testing		
gains/ losses from external entrustment loans		
Gains and losses arising from change of fair value of investment properties whose follow-up measurement are at fair value		
Affect upon current gains/losses arising from the one-off adjustment in subject to requirement of laws and rules in relation to taxation and accounting		
Income from entrusted custody operation		
Other non-operating income and expenditure except the abovementioned	11,996,083	
Other item that satisfied the definition of non-recurring gains and losses	62,252,488	
Influenced amount of minority shareholders' equity	-5,137,579	
Impact on income tax	-14,128,210	
Total	137,840,071	--

Statement of the Company on "Other gain/loss items satisfying the definitions of non-recurring gain/loss accounts" and the non-recurring items defined as recurring items according to the nature and characteristics of the businesses.

Item	Amount involved (RMB)	Note
Net income from equity transfer	62,252,488	On 21 March 2012, Guangzhou CSG was completed its equity transfer procedures, RMB 62,252,488 was recognized as investment income for the Company.

(II) Total of shareholders at the end of the report period and particulars about the shares held by the top ten shareholders

Total of shareholders at the end of the report period	249,622		
Particulars about shares held by the top ten unrestricted shareholders			
Name of shareholder	Amount of unrestricted shares held at the end of the report period	Share type and amount	
		Share type	Amount
China Northern Industries Corporation	75,167,934	A-share	75,167,934
Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	67,740,000	A-share	67,740,000
Shenzhen International Holdings (Shenzhen) Co., Ltd.	65,430,000	A-share	65,430,000
Bank of China— E-fund Shenzhen 100 Exchange-traded Securities Investment Fund	19,464,922	A-share	19,464,922
ICBC—Rongtong Shenzhen 100 Index Securities Investment fund	13,910,937	A-share	13,910,937
BBH A/C Vanguard Emerging Markets Stock Index Fund	12,809,638	B-share	12,809,638
China Minsheng Bank—Yinhua Shenzhen 100 Index Grading Securities Investment Fund	12,741,632	A-share	12,741,632
PICC—Tradition-common insurance products	11,600,385	A-share	11,600,385
PICC—dividend-individual insurance	11,224,226	A-share	11,224,226
Bank of China—Franklin Templeton Sealand Potential Combinations Stock-type Investment Securities Fund	10,958,204	A-share	10,958,204
Statement on associated relationship or consistent action among the above shareholders:	Among shareholders as listed above, the 2 nd and the 3 rd shareholders are holding enterprises of Shenzhen International Holdings Co., Ltd. Except for this, It is unknown whether other shareholders belong to related party or have associated relationship regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.		

III. Significant Events**(D) The situation and causes for the substantial changes of the main items in the accounting statements and financial indices**

√Applicable □ Non-applicable

Unit:RMB0'000					
	Note	30 September 2012	31 December 2011	Increased/Decreased amount	Rate
Notes receivable	(1)	24,797	46,533	-21,736	-47%
Prepayment	(2)	9,149	5,395	3,754	70%
Other account receivable	(3)	8,107	5,156	2,951	57%
Other current asset	(4)	16,446	91,363	-74,917	-82%
Construction in process	(5)	298,464	171,344	127,120	74%
R&D expense	(6)	1,345	3,069	-1,724	-56%
Notes payable	(7)	29,143	10,612	18,531	175%
Employees' wage payable	(8)	9,154	13,939	-4,785	-34%
Interest payable	(9)	10,822	3,842	6,980	182%
Other account payable	(10)	17,848	88,665	-70,817	-80%

Non-current liability due in 1 year	(11)	38,220	18,003	20,217	112%
Deferred income tax liability	(12)	3,077	4,409	-1,332	-30%
	Note	From 1 January to 30 September 2012	From 1 January to 30 September 2011	Increased/Decreased amount	Rate
Business income	(13)	529,306	650,628	-121,322	-19%
Business cost	(14)	409,822	432,241	-22,419	-5%
Financial expenses	(15)	19,353	10,583	8,770	83%
Asset impairment loss	(16)	239	615	-376	-61%
Investment gains	(17)	6,261	570	5,691	998%
non-operational income	(18)	9,604	6,587	3,017	46%
Income tax expenses	(19)	9,499	25,865	-16,366	-63%

Notes:

- (1) The decrease of notes receivable was mainly resulted from notes matured for cash and endorsement used for payment for goods.
- (2) The increase of the prepayment was mainly resulted from the increase of prepayment for payment for goods and equipment payment.
- (3) The increase of other receivables was mainly because of the increase of export tax rebate of the Company's subsidiaries as well as the increase of receivable balance according to the terms of the contract confirmation resulted from equity transfer procedures of Guangzhou CSG Glass Co., Ltd completed in the report period.
- (4) The decrease of other current assets was mainly resulted from the assets owned by Guangzhou CSG Glass Co., Ltd. which were reclassified as held for sale last year decreased because the share transfer procedures have been completed before the end of the report period.
- (5) The increase of construction in progress was mainly because fixed assets with technical improvement of production line in some subsidiaries transferred to constructions in progress.
- (6) The decrease of development expenditure was mainly due to R&D expenses transferred to intangible assets or expense expenditure.
- (7) The increase of notes payable was mainly due to the increase of payment for the suppliers by bank acceptance bill in the Company's subsidiaries in the report period.
- (8) The decrease of Employees' wage payable was mainly because the Company paid annual management incentive fund and employee year-end bonus of last year in the report period.
- (9) The increase of interest payable was mainly because the interest for corporate bond had not been paid yet.
- (10) The decrease of other payables was because equity transfer of Guangzhou CSG was completed in the report period, and equity transfer amount received in prior-period has transfer-out from item of other account payable.
- (11) The increase of non-current liability due in 1 year was mainly because part of the long-term loan will expire within 1 year.
- (12) The decrease of deferred income tax liability was mainly because the write back of mainland subsidiaries withholding income tax for dividend to overseas, which confirmed as the deferred income tax liabilities in the last period.
- (13) The decrease of revenue was because the price of flat glass and solar energy products were lower than the same period of last year.
- (14) The decrease of cost of sales was because of decline of the unit cost of the main products of the Company.
- (15) The increase of financial expenses was mainly because the interest expense after some subsidiaries' production lines transferred to fixed asset was recorded as current gains and losses, the loss in exchange caused by fluctuating of exchange rate and loan interest increased.
- (16) The decrease of asset impairment loss was mainly due to the decrease of the bad debt provision for the decreased receivables alteration in the report period compared with the same period last year.
- (17) The increase of investment income was because of the income from equity transfer of Guangzhou CSG, a subsidiary of the Company.
- (18) The increase of non-operational income was because of the increase of government supporting grant received by subsidiaries in the report period compared with the last period.
- (19) The decrease of income tax expense was because of the decrease of earnings before tax in the report period.

(II) The progress of material events and the analysis of the solutions

1. Non-standard report

Applicable Non-applicable

2. The Company exists that it provides funds to the controlling shareholder or its related parties, in violation of the required procedure of guarantee for external parties.

Applicable Non-applicable

3. Signature and implement of material contracts related to daily operation

Applicable Non-applicable

4. Others

Applicable Non-applicable

1. Repurchasing part of the domestically listed foreign shares (B-share) of the Company

On 6 August 2012, the First Extraordinary Shareholders' General Meeting 2012 deliberated and approved the proposal of "repurchasing part of the domestically listed foreign shares (B-share) of the Company". The company will repurchase no more than 200 million "B" shares with less than HKD 6 per share by centralized price bidding in Shenzhen Stock Exchange after putting on file in relevant regulatory bureau and gaining approval from relevant of authorized commerce and State Administration of Foreign Exchange. The repurchase term will be effective within 12 months since the approved date of shareholders' general meeting. More details could be found in relevant notices published at China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) on 20 July 2012 and 7 August 2012.

2. Short-term financing bills

On 15 April 2011, Annual Shareholders' General Meeting 2010 of CSG Holding Co., Ltd. deliberated and approved the proposal of issuing short-term financing bills, agreed the Company's application for issuing short-term financing bills with total amount of RMB 0.7 billion. On 5 August 2011, the Registration Committee of Chinese Inter-bank Market Dealers Association held the Thirty-fourth Registration Meeting of 2011, decided to accept the registration of short-term financing bills with total amount of RMB 0.7 billion and expiry on 12 August 2013. The short-term financing bills were co-lead managed by China Construction Bank Co., Ltd. and China Merchants Bank Co., Ltd., publicly issued to institutional investors of China's inter-bank bond market by bookkeeping, book building, centralizing and placing, and could be issued by stages within the validity period of registration. On 15 September 2011, the Company successfully issued short-term financing bills of phase I 2011 with total amount of RMB 0.7 billion and deadline of 365 days. And the short-term financing bills were cashed successfully on 14 September 2012. On 23 October 2012, the Company successfully issued short-term financing bills of phase I 2012 with total amount of RMB 0.7 billion and deadline of 365 days.

On 6 August 2012, the First Extraordinary Shareholders' General Meeting 2012 of CSG Holding Co., Ltd. deliberated and approved the proposal of issuing short-term financing bills, approving the application of short-term financing bills within RMB 2.2 billion limit.

More information can be found on www.chinabond.com.cn and www.chinamoney.com.cn.

3. It does not exist that non-operating fund of listed company is occupied by the largest shareholder and its affiliated enterprises.

(III) Commitments of shareholders with over 5% of shares made in the report period or carried over from previous period

Applicable Non-applicable

Item of Commitments	Promisee	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform	the original non-tradable shareholder Shenzhen International Holdings (SZ) Limited and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	The Company has implemented share merger reform in May 2006. Till June 2008, the share of the original non-tradable shareholders which holding over 5% total shares of the Company had all released. Therein, the original non-tradable shareholder Shenzhen International Holdings (SZ) Limited (with former name of Yiwang Industrial Development (Shenzhen) Co., Ltd.) and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd. both are wholly-funded subsidiaries to Shenzhen International Holdings Limited (hereinafter Shenzhen International for short) listed in Hong Kong united stock exchange main board. On 9 July 2009, Shenzhen International held the Shareholders' General Meeting and authorized its board of directors to	2009-7-9	N/A	By the end of the report period, the original non-tradable shareholders of the Company have strictly carried out their promises.

		sell the CSG A share held by Shenzhen International at price of no less than RMB 8.5. Shenzhen International made commitment that it would strictly carry out related regulations of Securities Law, Administration of the Takeover of Listed Companies Procedures and Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions issued by CSRC during implementing share decreasingly-held plan and take information disclosure responsibility timely.			
Commitments in report of acquisition or equity change					
Commitments in assets replacement					
Commitments made in issuing					
Other commitments for medium and small shareholders					
Completed on time or not	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Detail reasons for un-complement and further plan	N/A				
Whether made a promise to horizontal competition and related transactions that resulted or not	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Solution term promised	N/A				
Solution way	N/A				
Complementation	N/A				

(IV) Prediction of business performance for 2012

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

Applicable Non applicable

Discription: significant delining at the same trend

Type of data filled for the prediction

Actual figures Interval figures

	Year-begin to the end of the next report period			The same period of last year	Increase or decrease (%)			
Predicted amount of accumulative net profit (RMB'0,000)	25,000	--	35,000	117,823	<input type="checkbox"/> Increase <input checked="" type="checkbox"/> Decrease	70.29%	--	78.78%
Basic income per share (RMB/Share)	0.12	--	0.17	0.57	<input type="checkbox"/> Increase <input checked="" type="checkbox"/> Decrease	70.18%	--	78.95%

Statement on performance herald	<p>1. In the report period, influenced by government macro-control policies and production over-capacity, the selling price of flat glass reduce considerably compare with the same period of last year. The profit of flat glass in the Company will reduce considerably compared with the same period of last year.</p> <p>2. Influenced by the European debt crisis and government subsidy cut, the solar photovoltaic industry keeps sluggish in the report period. The selling price of polysilicon, cells & modules and solar energy glass decline considerably compared with the same period of last year. The profit of solar energy industry of the Company will reduce considerably compared with the same period of last year for the above reasons.</p> <p>3. Based on the principle of prudence, the Company predicts that there will be impairment reserved for some related assets. Because it has not been deliberated and approved by the Board of directors yet, there is still some uncertainty for the prediction.</p>
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(V) Other issues to be disclosed

1. Securities investment

Applicable Non-applicable

2. Derivatives investment

Applicable Non-applicable

3. Position of the derivatives investment at the end of the report period

Applicable Non-applicable

4. Reception of investigations, communications, or interviews in the report period

Date	Place	Way	Type	Visitors	Main content involved and material provided
2012-09-04	In the Company	Spot investigation	Institution	China Investment Securities Co., Ltd.	Introduction of the disclosed information about operation and production of the Company.
2012-09-19	In the Company	Spot investigation	Institution	Guotai Junan Securities Co., Ltd., Everbright Pramerica Fund Management Co.,Ltd., Ping An Insurance (Group) Company Of China, Ltd., Essence Fund Management Co., Ltd., Shenzhen Golden Investment Management Co., Ltd.	Introduction of the disclosed information about operation and production of the Company.

5. Corporate bond issuance

Whether the Company issued corporate bond or not?

Yes No

Approved by the 2nd Extraordinary Shareholders' General Meeting 2009, the Company issued corporate bond on 20 October 2010 with the amount of RMB 2 billion in total. The bond had two products with 5-year and 7-year, in which product I of 5-year with RMB 1 billion issuance scale and product II of 7-year with RMB 1 billion issuance scale. Meanwhile, attached with option of up-regulate coupon rate of issuer and re-sale option of investors for the product II. On 10 November 2010, the corporate bond was listed for trading in Shenzhen Stock Exchange with fixed annual coupon rate of 5.33% within five-years of duration. Short name for 5-year product was '10 CSG 01' (code 112021) while 7-year product was '10 CSG 02' (code 112022). Closing date for trading will be 20 October 2015 and 20 October 2017 respectively (notice of the Company disclosed shall prevail). More details can be found in Notice of Issuance Results on Company Bond 2010 published at China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) on 26 October 2010.

According to the track rating from CCXR in 2012, the Company gained AA+ for subject credit rating, expectation rating was stable, and bond credit rating of this period was AA+. On 20 October 2011 and 22 October 2012, interests in the first two periods of interest-bearing for corporate bond were paid by the Company. The Company will continuously guarantee debt servicing ability by solid development of its own business in the future.

IV. Notes

(I) Financial statements

Consolidated or not

Yes No Non-applicable

All figures in the financial statements are in RMB except for otherwise stated.

1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Ending balance	Beginning balance
Current asset:		
Monetary capital	573,369,661	656,239,151
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Notes receivable	247,965,664	465,326,418
Account receivable	380,004,963	315,204,776
Prepayment	91,492,510	53,946,544
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	81,067,215	51,555,671
Repurchasing of financial assets		
Inventories	499,315,484	479,716,050
Non-current asset due in 1 year		
Other current asset	164,456,471	913,630,129
Total of current asset	2,037,671,968	2,935,618,739
Non-current assets		
Disburse of consigned loans		
Available-for-sale financial asset	110,667,987	117,892,827
Expired investment in possess		
Long-term receivable		
Long-term share equity investment		
Investment real estates		
Fixed assets	8,529,876,184	9,431,688,834
Construction in process	2,984,635,957	1,713,437,065
Engineering material		
Fixed asset disposal		
Productive living assets		
Gas & petrol		
Intangible assets	953,711,526	913,473,642
R&D expense	13,445,507	30,688,334
Goodwill	18,404,380	18,404,380

Long-term amortizable expenses	2,334,446	1,319,695
Deffered income tax asset	101,220,881	81,376,849
Other non-current asset	37,490,712	37,490,712
Total of non-current assets	12,751,787,580	12,345,772,338
Total of assets	14,789,459,548	15,281,391,077
Current liabilities		
Short-term loans	1,736,002,477	1,546,224,149
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Trade off financial liabilities		
Notes payable	291,430,872	106,118,119
Account payable	1,180,826,151	1,345,809,426
Prepayment received	163,239,133	135,537,639
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	91,538,916	139,392,699
Tax payable	145,123,463	139,317,213
Interest payable	108,216,693	38,423,616
Dividend payable	687,627	687,627
Other account payable	178,479,746	886,647,082
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Non-current liability due in 1 year	382,202,919	180,033,101
Other current liability	526,872	2,926,872
Total of current liability	4,278,274,869	4,521,117,543
Non-current liabilities		
Long-term borrowings	783,464,576	1,088,240,944
Bond payable	1,985,544,015	1,982,441,160
Long-term payable		
Special payable		
Anticipated liabilities		
Deffered income tax liability	30,765,993	44,090,844
Other non-recurring liabilities	332,361,959	339,566,047
Total of non-current liabilities	3,132,136,543	3,454,338,995
Total of liability	7,410,411,412	7,975,456,538
Owners' equity (or shareholders' equity)		
Capital paid in (or share capital)	2,075,335,560	2,075,837,060
Capital reserves	1,381,441,692	1,380,994,405
Less: Shares in stock		
Special reserves	13,201,526	10,591,844
Surplus reserves	599,935,097	599,935,097
Common risk provision		
Retained profit	2,872,083,502	2,842,873,242

Different of foreign currency translation	1,467,045	886,336
Total of owner's equity belong to the parent company	6,943,464,422	6,911,117,984
Minor shareholders' equity	435,583,714	394,816,555
Total of owners' equity (or shareholders' equity)	7,379,048,136	7,305,934,539
Total of liability and shareholders' equity (or owners' equity)	14,789,459,548	15,281,391,077

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Huang Yanbing

2. Balance Sheet of the Parent Company

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Ending balance	Beginning balance
Current asset:		
Monetary capital	160,260,794	229,898,568
Transactional financial assets		
Notes receivable		
Account receivable		
Prepayment		
Interest receivable		
Dividend receivable	177,241,113	
Other account receivable	1,453,809,889	1,464,351,799
Inventories		
Non-current asset due in 1 year		
Other current asset		
Total of current asset	1,791,311,796	1,694,250,367
Non-current assets		
Available-for-sale financial asset	84,882,395	90,423,881
Expired investment in possess		
Long-term receivable	2,324,797,088	2,165,031,152
Long-term share equity investment	4,768,142,121	4,568,233,404
Investment real estates		
Fixed assets	16,329,573	14,583,342
Construction in process	5,403,046	
Engineering material		
Fixed asset disposal		
Productive living assets		
Gas & petrol		
Intangible assets	3,204,384	3,537,234
R&D expense		
Goodwill		
Long-term amortizable expenses		
Deffered income tax asset		
Other non-current asset		
Total of non-current assets	7,202,758,607	6,841,809,013
Total of assets	8,994,070,403	8,536,059,380
Current liabilities		

Short-term loans	700,000,000	761,613,200
Trade off financial liabilities		
Notes payable		
Account payable	29,790	
Prepayment received		
Employees' wage payable	3,956,620	40,403,745
Tax payable	85,932	609,880
Interest payable	12,946,069	2,984,980
Dividend payable	687,627	687,627
Other account payable	940,051,414	947,884,945
Non-current liability due in 1 year		
Other current liability		
Total of current liability	1,657,757,452	1,754,184,377
Non-current liabilities		
Long-term borrowings	130,000,000	
Bond payable	1,985,544,015	1,982,441,160
Long-term payable		
Special payable		
Anticipated liabilities		
Deffered income tax liability	16,810,349	18,195,720
Other non-recurring liabilities	5,000,000	
Total of non-current liabilities	2,137,354,364	2,000,636,880
Total of liability	3,795,111,816	3,754,821,257
Owners' equity (or shareholders' equity)		
Capital paid in (or share capital)	2,075,335,560	2,075,837,060
Capital reserves	1,418,995,573	1,417,697,982
Less: Shares in stock		
Special reserves		
Surplus reserves	599,935,097	599,935,097
Common risk provision		
Retained profit	1,104,692,357	687,767,984
Different of foreign currency translation		
Total of owners' equity (or shareholders' equity)	5,198,958,587	4,781,238,123
Total of liability and shareholders' equity (or owners' equity)	8,994,070,403	8,536,059,380

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Huang Yanbing

3. Consolidated Income Statement in the report period

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Total revenue	1,947,809,464	2,067,750,476
Incl. Business income	1,947,809,464	2,067,750,476
Interest income		
Insurance fee earned		
Fee and commission received		

II. Total business cost	1,739,427,606	1,707,066,409
Incl. Business cost	1,460,092,713	1,446,089,410
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	14,067,914	15,537,197
Sales expense	68,298,247	57,361,014
Administrative expense	137,745,946	146,253,013
Financial expenses	60,177,826	40,623,406
Asset impairment loss	-955,040	1,202,369
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)		-801,520
Incl. Investment gains from affiliates		
Exchange gains (“-“ for loss)		
III. Operational profit (“-“ for loss)	208,381,858	359,882,547
Plus: non-operational income	16,215,764	23,967,362
Less: non-operational expenditure	685,629	1,444,475
Incl. Loss from disposal of non-current assets	526,917	1,209,476
IV. Gross profit (“-“ for loss)	223,911,993	382,405,434
Less: Income tax expenses	39,063,624	69,224,449
V. Net profit (“-“ for net loss)	184,848,369	313,180,985
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	156,677,476	272,443,398
Minor shareholders' equity	28,170,893	40,737,587
VI. Earnings per share:	--	--
(I) Basic earnings per share	0.08	0.13
(II) Diluted earnings per share	0.08	0.13
VII. Other misc. incomes	-9,171,897	-1,508,872
VIII. Total of misc. incomes	175,676,472	311,672,113
Total of misc. incomes attributable to the owners of the parent company	147,505,579	270,934,526
Total misc gains attributable to the minor shareholders	28,170,893	40,737,587

Net profit contributed by entities merged under common control in the report period was RMB 0.

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Huang Yanbing

4. Income Statement of the Parent Company in the report period

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Turnover	0	1,065,932
Less: Operation cost		61,291

Business tax and surcharge		
Sales expense		
Administrative expense	6,492,555	16,376,512
Financial expenses	1,902,340	2,716,657
Asset impairment loss	-20,701	
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)		-801,520
Incl. Investment gains from affiliates		
II. Operational profit (“-“ for loss)	-8,374,194	-18,890,048
Plus: Non business income	5,000,000	4,294,527
Less: Non-business expenses	11,077	1,762
Incl. Loss from disposal of non-current assets	11,077	1,762
III. Total profit (“-“ for loss)	-3,385,271	-14,597,283
Less: Income tax expenses		
IV. Net profit (“-“ for net loss)	-3,385,271	-14,597,283
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VI. Other misc gains	-6,982,760	
VII. Total of integrated income	-10,368,031	-14,597,283

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Huang Yanbing

5. Consolidated Income Statement from the beginning of the year to the end of the report period

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Total revenue	5,293,059,949	6,506,284,578
Incl. Business income	5,293,059,949	6,506,284,578
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	4,876,317,005	5,085,105,349
Incl. Business cost	4,098,220,248	4,322,413,812
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	31,093,001	42,881,002
Sales expense	173,833,081	196,815,255
Administrative expense	377,254,068	411,012,116
Financial expenses	193,530,038	105,833,510
Asset impairment loss	2,386,569	6,149,654

Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	62,612,488	5,695,272
Incl. Investment gains from affiliates		
Exchange gains (“-“ for loss)		
III. Operational profit (“-“ for loss)	479,355,432	1,426,874,501
Plus: non-operational income	96,036,837	65,872,412
Less: non-operational expenditure	1,543,465	2,126,759
Incl. Loss from disposal of non-current assets	1,007,710	1,570,423
IV. Gross profit (“-“ for loss)	573,848,804	1,490,620,154
Less: Income tax expenses	94,992,390	258,651,736
V. Net profit (“-“ for net loss)	478,856,414	1,231,968,418
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	402,770,661	1,110,086,740
Minor shareholders’ equity	76,085,753	121,881,678
VI. Earnings per share:	--	--
(I) Basic earnings per share	0.19	0.53
(II) Diluted earnings per share	0.19	0.53
VII. Other misc. incomes	-4,936,175	68,578
VIII. Total of misc. incomes	473,920,239	1,232,036,996
Total of misc. incomes attributable to the owners of the parent company	397,789,655	1,110,155,318
Total misc gains attributable to the minor shareholders	76,130,584	121,881,678

Net profit contributed by entities merged under common control from the beginning of the year to the end of the report period was RMB 0.

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Huang Yanbing

6. Income Statement of the Parent Company from the beginning of the year to the end of the report period

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Turnover	1,257,853	2,479,239
Less: Operation cost	70,566	432,531
Business tax and surcharge		
Sales expense		
Administrative expense	14,791,978	50,625,419
Financial expenses	11,129,772	4,420,474
Asset impairment loss	300,078	
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	805,030,048	1,052,539,196
Incl. Investment gains from affiliates		
II. Operational profit (“-“ for loss)	779,995,507	999,540,011
Plus: Non business income	10,501,000	4,494,527
Less: Non-business expenses	11,735	5,384
Incl. Loss from disposal of non-current assets	11,735	5,384
III. Total profit (“-“ for loss)	790,484,772	1,004,029,154

Less: Income tax expenses		-212,380
IV. Net profit ("-" for net loss)	790,484,772	1,004,241,534
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VI. Other misc gains	-4,156,114	
VII. Total of integrated income	786,328,658	1,004,241,534

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Huang Yanbing

7. Consolidated Cash Flow Statement from the beginning of the year to the end of the report period

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	6,214,902,734	6,982,130,973
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	112,452,601	170,244,219
Other cash received from business operation	90,181,088	91,771,196
Sub-total of cash inflow from business activities	6,417,536,423	7,244,146,388
Cash paid for purchasing of merchandise and services	3,662,281,292	4,276,591,772
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	592,345,154	671,840,534
Taxes paid	483,528,672	792,085,095
Other cash paid for business activities	296,463,674	272,012,466
Sub-total of cash outflow from business activities	5,034,618,792	6,012,529,867
Cash flow generated by business operation, net	1,382,917,631	1,231,616,521
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment profit	339,962	1,000,000
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	8,098,484	1,207,810
Net cash received from disposal of subsidiaries or other operational	78,552,498	279,482,884

units		
Other investment-related cash received	43,531,540	95,243,322
Sub-total of cash inflow due to investment activities	130,522,484	376,934,016
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,061,357,422	2,461,687,679
Cash paid as investment	27,068,998	55,535,338
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		5,000,000
Other cash paid for investment activities	4,742,970	15,000,000
Sub-total of cash outflow due to investment activities	1,093,169,390	2,537,223,017
Net cash flow generated by investment	-962,646,906	-2,160,289,001
III. Cash flow generated by financing		
Cash received as investment	52,855,285	165,966,547
Incl. Cash received as investment from minor shareholders	52,855,285	165,966,547
Cash received as loans	2,383,345,342	3,510,838,706
Cash received from bond placing		
Other financing-related cash received	36,000,000	402,956,394
Subtotal of cash inflow from financing activities	2,472,200,627	4,079,761,647
Cash to repay debts	2,297,104,281	1,977,417,711
Cash paid as dividend, profit, or interests	639,944,823	943,707,496
Incl. Dividend and profit paid by subsidiaries to minor shareholders	123,764,085	130,710,610
Other cash paid for financing activities	44,774,967	9,184,990
Subtotal of cash outflow due to financing activities	2,981,824,071	2,930,310,197
Net cash flow generated by financing	-509,623,444	1,149,451,450
IV. Influence of exchange rate alternation on cash and cash equivalents	601,947	-8,323,704
V. Net increase of cash and cash equivalents	-88,750,772	212,455,266
Plus: Balance of cash and cash equivalents at the beginning of term	634,416,574	660,213,739
VI. Balance of cash and cash equivalents at the end of term	545,665,802	872,669,005

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Huang Yanbing

8. Cash Flow Statement of the Parent Company from the beginning of the year to the end of the report period

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services		
Tax returned		
Other cash received from business operation	2,914,770	4,641,481
Sub-total of cash inflow from business activities	2,914,770	4,641,481
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	41,818,591	136,114,996
Taxes paid	232,259	464,786
Other cash paid for business activities	9,507,157	5,524,822
Sub-total of cash outflow from business activities	51,558,007	142,104,604

Cash flow generated by business operation, net	-48,643,237	-137,463,123
II. Cash flow generated by investing		
Cash received from investment retrieving		133,000,000
Cash received as investment profit	526,634,274	992,590,922
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	450	
Net cash received from disposal of subsidiaries or other operational units	62,400,000	228,675,000
Other investment-related cash received	15,500,000	
Sub-total of cash inflow due to investment activities	604,534,724	1,354,265,922
Cash paid for construction of fixed assets, intangible assets and other long-term assets	8,310,383	367,250
Cash paid as investment	203,105,620	863,742,296
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	103,717,913	374,846,268
Sub-total of cash outflow due to investment activities	315,133,916	1,238,955,814
Net cash flow generated by investment	289,400,808	115,310,108
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	830,000,000	860,765,640
Cash received as bond issuance		
Other financing-related cash received		
Subtotal of cash inflow from financing activities	830,000,000	860,765,640
Cash to repay debts	761,500,720	211,983,420
Cash paid as dividend, profit, or interests	374,762,405	730,342,205
Other cash paid for financing activities	2,221,645	4,118,420
Subtotal of cash outflow due to financing activities	1,138,484,770	946,444,045
Net cash flow generated by financing	-308,484,770	-85,678,405
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,910,576	-381,019
V. Net increase of cash and cash equivalents	-69,637,775	-108,212,439
Plus: Balance of cash and cash equivalents at the beginning of term	229,898,569	373,901,165
VI. Balance of cash and cash equivalents at the end of term	160,260,794	265,688,726

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Huang Yanbing

(II) Auditor's Report

Auditor's opinion	Unaudited
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**Board of Directors of
CSG Holding Co., Ltd.
30 October 2012**