
CSG HOLDING CO., LTD.

THE FIRST QUARTER REPORT 2014



Chairman of the Board:

ZENG NAN

April 2014

I. Important Notice

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

Chairman of the Board of the Company Mr. Zeng Nan, CFO Mr. Luo Youming and principle of the financial department Mr. Zhang Guoming hereby confirm the truthfulness and completeness of the Financial Report in the First Quarter Report of 2014.

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.

Section II Main accounting data and Changes in Shareholders

I. Main accounting data and indices

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

Yes No

	The 1 st quarter of 2014	The 1 st quarter of 2013	Percentage of change (%)
Operating income (RMB)	1,482,894,670	1,456,792,882	1.79%
Net profit attributable to shareholders of the listed company(RMB)	123,051,443	107,660,977	14.3%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	108,589,698	90,472,570	20.02%
Net cash flow arising from operating activities(RMB)	90,191,987	289,618,073	-68.86%
Basic earnings per share (RMB/Share)	0.0593	0.0519	14.26%
Diluted earnings per share (RMB/Share)	0.0593	0.0519	14.26%
The weighted average return on net assets (%)	1.5%	1.57%	-0.07%
	31 March 2014	31 December 2013	Percentage of change (%)
Total assets (RMB)	15,285,641,383	15,078,866,777	1.37%
Net assets attributable to shareholder of listed company(RMB)	8,179,819,319	8,047,894,139	1.64%

Items and amounts of extraordinary profit (gains)/loss

Applicable Not applicable

Unit: RMB

Item	Amount from beginning of the year to the end of the report period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-828,851	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	20,724,698	
Other non-operating income and expenditure except for the aforementioned items	3,679,852	
Other gain/loss items satisfying the definition of nonrecurring gain/loss account	-2,351,667	

Less: Impact on income tax	4,594,833	
Amount of minority shareholders' equity (post-tax)	2,167,454	
Total	14,461,745	--

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

Applicable Not applicable

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

Unit: Share

Total of shareholders at the end of the report period		220,901				
Particulars about shares held by the top ten shareholders						
Name of shareholder	Nature of shareholder	Proportion of shares held (%)	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					Share status	Amount
China Northern Industries Corporation	State-owned legal person	3.62%	75,167,934	0		
Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	2.99%	62,052,845	0		
Shenzhen International Holdings (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	2.88%	59,778,813	0		
ICBC-Lion Stock Securities Investment Funds	Domestic non state-owned legal person	0.87%	18,000,000	0		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.71%	14,751,764	0		
CMBC—Yinhua Shenzhen Stock 100 Index Grading Securities Investment Fund	Domestic non state-owned legal person	0.63%	13,101,411	0		
China Resources SZITIC Trust Co., Ltd. – Runjin No.71 Collective Fund Trust Plan	Domestic non state-owned legal person	0.56%	11,623,300	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	0.48%	10,045,233	0		
ICBC- Rongtong Shenzhen Stock 100 Index	Domestic non	0.48%	10,013,158	0		

Securities Investment Funds	state-owned legal person					
BOC- E-fund Shenzhen Stock 100 ETF	Domestic non state-owned legal person	0.45%	9,352,862	0		
Particulars about shares held by the top ten unrestricted shareholders						
Name of shareholder	Amount of unrestricted shares held	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.	62,052,845	A-share	62,052,845			
Shenzhen International Holdings (Shenzhen) Co., Ltd.	59,778,813	A-share	59,778,813			
ICBC-Lion Stock Securities Investment Funds	18,000,000	A-share	18,000,000			
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	14,751,764	B-share	14,751,764			
CMBC—Yinhua Shenzhen Stock 100 Index Grading Securities Investment Fund	13,101,411	A-share	13,101,411			
China Resources SZITIC Trust Co., Ltd. – Runjin No.71 Collective Fund Trust Plan	11,623,300	A-share	11,623,300			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	10,045,233	B-share	10,045,233			
ICBC- Rongtong Shenzhen Stock 100 Index Securities Investment Funds	10,013,158	A-share	10,013,158			
BOC- E-fund Shenzhen Stock 100 ETF	9,352,862	A-share	9,352,862			
Statement on associated relationship or consistent action among the above shareholders:	Among shareholders as listed above, Shenzhen International Holdings (Shenzhen) Co., Ltd. and Xin Tong Chan Development (Shenzhen) Co., Ltd. are holding enterprises and belong to controlling enterprise 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.					
Explanation on shareholders involving margin business (if applicable)	N/A					

Whether has a buy-back agreement dealing in reporting period

Yes No

Section III Important Events

I. Particulars and explanations about significant changes in main accounting statement and financial indexes

Unit: RMB'0,000

	Note	31 March 2014	31 December 2013	Amount of change	Percentage of change
Notes receivable	(1)	16,693	32,389	(15,696)	(48%)
Accounts receivable	(2)	27,010	13,643	13,367	98%
Other receivables	(3)	2,354	10,937	(8,583)	(78%)
Inventory	(4)	53,346	37,868	15,478	41%
Remuneration payable	(5)	7,867	16,638	(8,771)	(53%)
	Note	Jan.-Mar.2014	Jan.-Mar.2013	Amount of change	Percentage of change
Business tax and surcharges	(6)	749	1,090	(341)	(31%)
Asset impairment loss	(7)	274	(75)	349	(465%)
Non-business expenditure	(8)	145	711	(566)	(80%)
Income tax expenses	(9)	3,549	4,480	(931)	(21%)
Other comprehensive income	(10)	1,035	(846)	1,881	(222%)

Note:

- (1) Notes receivable decreased mainly because bill payment for goods increased in the report period.
- (2) Accounts receivable increased mainly because there was more payment collection at the end of last year while the payment collection in the period was normal.
- (3) Other receivables decreased mainly because the insurance indemnity caused by the fire accident of Dongguan CSG PV tech Co., Ltd. was received in the report period.
- (4) Inventory increased mainly because raw materials and finished goods stocked up for subsequent orders increased in part of subsidiaries of the Company
- (5) Remuneration payable decreased mainly because provision of employee year-end bonus at the end of last year had been paid in the report period.
- (6) Business tax and surcharges decreased mainly because urban maintenance & construction tax and the education surtax declined due to the decrease of VAT paid in the report period.
- (7) Asset impairment loss increased mainly because in the report period the increase amount of accounts receivable was greater than that of the same time of last year and general provision for bad debt in the report period increased over that of the same period of last year.
- (8) Non-business expenditure decreased mainly because the subsidiary of the Company, Shenzhen Float paid an amount of RMB 7 million related to land at the same period of last year and there was no large non-business expenditure in the report period.
- (9) Income tax expenses decreased mainly because the profit of the subsidiary that enjoyed the preferential income tax increased over the same period of last year, and thus the comprehensive income tax rates decreased over the same period of last year.

(10) Other comprehensive income increased mainly because the fair value of financial assets available for sale of the Company increased in the report period.

II. The progress of material events and the analysis of the solutions

1. Assets for sale

Being deliberated and approved in interim meeting of 6th session of the Board on 27 September 2013, the Company transferred 100% equity of its wholly-owned subsidiary, Shenzhen CSG Float Glass Co., Ltd., to Golden Times Investment Consultant (SZ) Co., Ltd. with consideration of RMB 918 million. Meanwhile, Golden Times promised to pay the debt obligation of RMB 330 million to Shenzhen Float. Approximately investment earnings of RMB 290 million are expected to generate through the transfer, and the equity transfer will bring a positive impact on perfecting resource allocation, improving assets quality and enhancing core competitiveness of the Company.

Details of the transfer can be found in “Sales of Assets Notice” released in the China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) on 28 September 2013.

2. Short-term Financing Bonds

On 6 August 2012, the First Extraordinary Shareholders’ General Meeting 2012 of CSG Holding Co., Ltd deliberated and approved the proposal of short-term financing bills offering with application of short-term financing bill within RMB 2.2 billion limit. On 11 January 2013, National Association of Financial market Institutional Investors held its 1st registration meeting of 2013, in which NAFMII decided to accept the Company’s short-term financing bills registration, amounting to RMB 1.1 billion, valid until January 25, 2015. China Merchants Bank Co., Ltd, and Shanghai Pudong Development Bank Co., Ltd were joint lead underwriters of these short-term financing bills, which could be issued by stages within the validity period of registration. On 7 March 2013, the Company issued short-term financing bills with a total amount of RMB 1.1 billion and deadline of one year, and cashed completed on 6 March 2014.

On 23 April 2013, annual shareholders’ general meeting 2012 of CSG considered and passed the proposal of publishing short-term financing bills, agreed the Company’s application for publishing short-term financing bills with amount not over the 40% of the Company’s net assets in total (the issued short-term financing bonds included). On 20 December 2013, National Association of Financial market Institutional Investors held its 74th registration meeting of 2013, in which NAFMII decided to accept the Company’s short-term financing bills registration, amounting to RMB 1.1 billion and deadline of 2 years. China CITIC Bank Corporation Limited and Agricultural Bank of China Co., Ltd were joint lead underwriters of these short-term financing bills, which could be issued by stages within the validity period of registration. On 14 March 2014, the Company issued short-term financing bills with a total amount of RMB 0.5 billion and deadline of one year. As for the remaining RMB 0.6 billion and one-year term short-term financing bonds, the issuance date is undetermined.

For details, please refer to www.chinabond.com.cn and www.chinamoney.com.cn.

3. Stock option incentive

The 15th meeting of 6th session of the Board held on 22 March 2014 deliberated and approved the “Proposal of Incentive Plan for Restricted Stock of A-share (Draft) and Summary” (hereinafter referred to Incentive Plan).

The incentive plan will issue no more than 90 million restricted A shares to grant plan participants in one time. The participants who can be awarded with restricted shares should correspond to award requirements regulated in restrict shares incentive plan. The Plan is valid for 48 months. The first 12 months since granted date was the lockup period and the later 36 months was the unlocked period. During the unlocked period, plan participants can apply unlocking the restricted shares in three phases if achieved the release condition, and the unlocked ratio shall be no more than 40%、30%、30% of the total restricted shares respectively. The incentive plan

should be submitted to the general meeting of shareholders for deliberation after China Securities Regulatory Commission puts on file without objection.

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

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 and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd. both are wholly-funded subsidiaries to Shenzhen International Holdings Limited (hereinafter Shenzhen International for short) listed in Hong Kong united stock exchange main board. Shenzhen International made commitment that it would strictly carry out related regulations of Securities Law, Administration of the Takeover of Listed Companies Procedures and Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions issued by CSRC during implementing share decreasingly-held plan and take information disclosure responsibility timely.	2006-5-22	N/A	By the end of the report period, the above shareholders of the Company had strictly carried out their promises.
Commitments in report of acquisition or equity change					
Commitments in assets reorganization					
Commitments in initial public offering or re-financing					
Other commitments for medium and small shareholders					
Completed on time or not	Yes				
Detail reasons for un-complement and further plan	Not applicable				

IV. Prediction of business performance for Jan.-Jun. 2014

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

Section IV Financial Report

I. Financial Statements

I. Financial Statements

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Ending balance	Beginning balance
Current asset:		
Monetary capital	274,852,207	279,672,523
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Notes receivable	166,927,382	323,889,490
Account receivable	270,099,225	136,430,683
Prepayment	75,609,303	73,378,329
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	23,544,848	109,366,023
Repurchasing of financial assets		
Inventories	533,462,100	378,684,712
Non-current asset due in 1 year		
Other current asset	1,048,796,652	1,021,464,095
Total of current asset	2,393,291,717	2,322,885,855
Non-current assets		
Disburse of consigned loans		
Available-for-sale financial asset	135,900,000	122,760,000
Expired investment in possess		
Long-term receivable		

Long-term share equity investment	776,157,329	770,037,176
Investment real estates		
Fixed assets	7,876,675,460	7,979,937,683
Construction in process	2,987,491,494	2,762,418,100
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	932,129,124	933,329,528
R&D expense	7,328,106	9,881,310
Goodwill	3,039,946	3,039,946
Long-term amortizable expenses	3,238,410	3,280,021
Differed income tax asset	163,879,797	164,787,158
Other non-current asset	6,510,000	6,510,000
Total of non-current assets	12,892,349,666	12,755,980,922
Total of assets	15,285,641,383	15,078,866,777
Current liabilities		
Short-term loans	1,663,878,435	1,424,743,800
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Trade off financial liabilities		
Notes payable	2,759,502	4,429,188
Account payable	939,826,954	981,616,449
Prepayment received	130,960,299	160,689,070
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	78,666,783	166,377,238
Tax payable	118,447,898	160,754,703
Interest payable	54,175,326	60,767,534
Dividend payable	687,627	687,627
Other account payable	574,447,800	557,130,583
Reinsurance fee payable		
Insurance contract provision		

Entrusted trading of securities		
Entrusted selling of securities		
Non-current liability due in 1 year	479,740,545	399,849,715
Other current liability	300,000	300,000
Total of current liability	4,043,891,169	3,917,345,907
Non-current liabilities		
Long-term borrowings	274,992,063	302,904,204
Bond payable	1,992,194,288	1,991,041,175
Long-term payable		
Special payable		
Anticipated liabilities		
Differed income tax liability	38,412,497	34,298,029
Other non-recurring liabilities	426,193,028	432,364,880
Total of non-current liabilities	2,731,791,876	2,760,608,288
Total of liability	6,775,683,045	6,677,954,195
Owners' equity (or shareholders' equity)		
Capital paid in (or share capital)	2,075,335,560	2,075,335,560
Capital reserves	1,398,969,084	1,391,366,888
Less: Shares in stock		
Special reserves	15,537,755	14,503,860
Surplus reserves	765,048,720	765,048,720
Common risk provision		
Retained profit	3,926,626,285	3,803,574,842
Different of foreign currency translation	-1,698,085	-1,935,731
Total of owner's equity belong to the parent company	8,179,819,319	8,047,894,139
Minor shareholders' equity	330,139,019	353,018,443
Total of owners' equity (or shareholders' equity)	8,509,958,338	8,400,912,582
Total of liability and shareholders' equity (or owners' equity)	15,285,641,383	15,078,866,777

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Zhang Guoming

2. Balance Sheet of the Parent Company

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Ending balance	Beginning balance
Current asset:		
Monetary capital	105,511,379	129,337,516
Transactional financial assets		
Notes receivable		
Account receivable		
Prepayment		
Interest receivable		
Dividend receivable		
Other account receivable	3,091,841,546	3,082,240,537
Inventories		
Non-current asset due in 1 year		
Other current asset		
Total of current asset	3,197,352,925	3,211,578,053
Non-current assets		
Available-for-sale financial asset	104,235,300	94,156,920
Expired investment in possess		
Long-term receivable	1,917,627,521	1,953,745,783
Long-term share equity investment	5,089,871,949	4,966,621,199
Investment real estates		
Fixed assets	37,425,956	38,163,267
Construction in process		
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	2,538,686	2,649,635
R&D expense		
Goodwill		
Long-term amortizable expenses	2,426,121	2,424,621
Differed income tax asset		

Other non-current asset		
Total of non-current assets	7,154,125,533	7,057,761,425
Total of assets	10,351,478,458	10,269,339,478
Current liabilities		
Short-term loans	1,407,051,593	1,255,000,000
Trade off financial liabilities		
Notes payable		
Account payable	780,060	923,245
Prepayment received		
Employees' wage payable	2,300,202	55,932,331
Tax payable	25,722,949	26,978,661
Interest payable	13,652,914	18,800,998
Dividend payable	687,627	687,627
Other account payable	828,331,263	829,844,788
Non-current liability due in 1 year	150,000,000	150,000,000
Other current liability		
Total of current liability	2,428,526,608	2,338,167,650
Non-current liabilities		
Long-term borrowings		
Bond payable	1,992,194,288	1,991,041,175
Long-term payable		
Special payable		
Anticipated liabilities		
Differed income tax liability	21,648,575	19,128,980
Other non-recurring liabilities	11,792,800	11,792,800
Total of non-current liabilities	2,025,635,663	2,021,962,955
Total of liability	4,454,162,271	4,360,130,605
Owners' equity (or shareholders' equity)		
Capital paid in (or share capital)	2,075,335,560	2,075,335,560
Capital reserves	1,442,181,439	1,434,441,128
Less: Shares in stock		
Special reserves		
Surplus reserves	779,594,080	779,594,080

Common risk provision		
Retained profit	1,600,205,108	1,619,838,105
Different of foreign currency translation		
Total of owners' equity (or shareholders' equity)	5,897,316,187	5,909,208,873
Total of liability and shareholders' equity (or owners' equity)	10,351,478,458	10,269,339,478

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Zhang Guoming

3. Consolidated Income Statement

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Total revenue	1,482,894,670	1,456,792,882
Incl. Business income	1,482,894,670	1,456,792,882
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,344,181,492	1,305,835,991
Incl. Business cost	1,101,922,703	1,050,719,953
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	7,492,146	10,900,605
Sales expense	58,234,783	58,377,696
Administrative expense	122,486,203	125,388,239
Financial expenses	51,307,640	61,201,978
Asset impairment loss	2,738,017	-752,480
Plus: gains from change of fair value ("-" for loss)		

Investment gains (“-“ for loss)	6,383,626	
Incl. Investment gains from affiliates		
Exchange gains (“-“ for loss)		
III. Operational profit (“-“ for loss)	145,096,804	150,956,891
Plus: non-operational income	25,025,825	30,642,625
Less: non-operational expenditure	1,450,126	7,107,553
Incl. Loss from disposal of non-current assets	1,421,153	104,217
IV. Gross profit (“-“ for loss)	168,672,503	174,491,963
Less: Income tax expenses	35,485,420	44,799,222
V. Net profit (“-“ for net loss)	133,187,083	129,692,741
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	123,051,443	107,660,977
Minor shareholders' equity	10,135,640	22,031,764
VI. Earnings per share:	--	--
(I) Basic earnings per share	0.0593	0.0519
(II) Diluted earnings per share	0.0593	0.0519
VII. Other misc. incomes	10,352,885	-8,462,043
VIII. Total of misc. incomes	143,539,968	121,230,698
Total of misc. incomes attributable to the owners of the parent company	133,404,328	99,198,934
Total misc gains attributable to the minor shareholders	10,135,640	22,031,764

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Zhang Guoming

4. Income Statement of the Parent Company

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Balance of this period	Balance of last period
I. Turnover	0	741,079
Less: Operation cost	0	41,575
Business tax and surcharge		
Sales expense		

Administrative expense	6,203,406	5,127,394
Financial expenses	23,005,979	9,934,420
Asset impairment loss	-2,049	-474,413
Plus: gains from change of fair value ("-" for loss)		
Investment gains ("-" for loss)	8,735,293	6,554,035
Incl. Investment gains from affiliates		
II. Operational profit ("-" for loss)	-20,472,043	-7,333,862
Plus: Non business income	839,045	
Less: Non-business expenses		
Incl. Loss from disposal of non-current assets		
III. Total profit ("-" for loss)	-19,632,998	-7,333,862
Less: Income tax expenses		
IV. Net profit ("-" for net loss)	-19,632,998	-7,333,862
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VI. Other misc gains	7,558,785	-5,205,184
VII. Total of integrated income	-12,074,213	-12,539,046

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Zhang Guoming

5. Consolidated Cash Flow Statement

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	1,702,304,935	1,788,311,553
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	421,908	7,802,366
Other cash received from business operation	17,575,287	55,196,380
Sub-total of cash inflow from business activities	1,720,302,130	1,851,310,299
Cash paid for purchasing of merchandise and services	1,097,649,946	1,044,604,044
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	250,906,812	198,865,070
Taxes paid	182,733,978	212,834,025
Other cash paid for business activities	98,819,407	105,389,087
Sub-total of cash outflow from business activities	1,630,110,143	1,561,692,226
Cash flow generated by business operation, net	90,191,987	289,618,073
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment profit	444,816	

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	8,328,943	4,556,623
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	95,250,749	20,726,310
Sub-total of cash inflow due to investment activities	104,024,508	25,282,933
Cash paid for construction of fixed assets, intangible assets and other long-term assets	411,824,679	452,169,132
Cash paid as investment	55,914,929	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		39,001,200
Other cash paid for investment activities		7,000,000
Sub-total of cash outflow due to investment activities	467,739,608	498,170,332
Net cash flow generated by investment	-363,715,100	-472,887,399
III. Cash flow generated by financing		
Cash received as investment	21,136,000	21,085,757
Incl. Cash received as investment from minor shareholders	21,136,000	21,085,757
Cash received as loans	2,027,074,580	1,613,758,324
Cash received from bond placing		
Other financing-related cash received	20,096,157	21,783,953
Subtotal of cash inflow from financing activities	2,068,306,737	1,656,628,034
Cash to repay debts	1,735,961,256	1,262,423,766
Cash paid as dividend, profit, or interests	63,293,058	31,372,734
Incl. Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities		
Subtotal of cash outflow due to financing activities	1,799,254,314	1,293,796,500

Net cash flow generated by financing	269,052,423	362,831,534
IV. Influence of exchange rate alternation on cash and cash equivalents	136,529	-342,924
V. Net increase of cash and cash equivalents	-4,334,161	179,219,284
Plus: Balance of cash and cash equivalents at the beginning of term	276,450,869	447,736,537
VI. Balance of cash and cash equivalents at the end of term	272,116,708	626,955,821

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Zhang Guoming

6. Cash Flow Statement of the Parent Company

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	326,465	973,073
Sub-total of cash inflow from business activities	326,465	973,073
Cash paid for purchasing of merchandise and services	1,500	2,379,075
Cash paid to staffs or paid for staffs	47,862,295	4,157,743
Taxes paid	274,607	96,338
Other cash paid for business activities	4,625,703	5,725,372
Sub-total of cash outflow from business activities	52,764,105	12,358,528
Cash flow generated by business operation, net	-52,437,640	-11,385,455
II. Cash flow generated by investing		
Cash received from investment retrieving		

Cash received as investment profit	18,685,428	32,232,027
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	294	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	18,685,722	32,232,027
Cash paid for construction of fixed assets, intangible assets and other long-term assets	143,185	10,617,775
Cash paid as investment	114,778,929	313,104,626
Net cash received from subsidiaries and other operational units		39,001,200
Other cash paid for investment activities		787,603,647
Sub-total of cash outflow due to investment activities	114,922,114	1,150,327,248
Net cash flow generated by investment	-96,236,392	-1,118,095,221
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	1,871,301,593	1,544,058,284
Cash received from bond placing		
Other financing-related cash received	1,016,912	
Subtotal of cash inflow from financing activities	1,872,318,505	1,544,058,284
Cash to repay debts	1,719,250,000	309,058,284
Cash paid as dividend, profit, or interests	28,228,411	3,176,062
Other cash paid for financing activities		
Subtotal of cash outflow due to financing activities	1,747,478,411	312,234,346
Net cash flow generated by financing	124,840,094	1,231,823,938
IV. Influence of exchange rate alternation on cash and cash equivalents	7,801	2,406,138
V. Net increase of cash and cash	-23,826,137	104,749,400

equivalents		
Plus: Balance of cash and cash equivalents at the beginning of term	129,337,516	139,915,851
VI. Balance of cash and cash equivalents at the end of term	105,511,379	244,665,251

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Zhang Guoming

II. Report of the Auditors

Whether the First Quarter Report has been audited or not

Yes No

The First Quarter Report hasn't been audited.

Board of Directors of

CSG Holding Co., Ltd.

22 April 2014