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CSG HOLDING CO., LTD.

**THE THIRD QUARTER REPORT 2020**



Chairman of the Board:  
CHEN LIN

October 2020

## Section 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, individual and/or joint, for the facticity, accuracy and completeness of the whole contents.

All directors were present at the meeting of the Board for deliberating the Third Quarter Report of 2020 of the Company in person.

Ms. Chen Lin, Chairman of the Board, Mr. Wang Jian, responsible person in charge of accounting and Ms. Wang Wenxin, principal of the financial department (accounting officer) confirm that the Financial Report enclosed in the Third Quarter Report of 2020 of the Company is true, accurate and complete.

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. The Basic Information of the Company

### I. Main accounting data and financial indices

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

Yes  No

	The end of the report period	The end of the previous year	Increase/decrease in comparison with the end of the previous year	
Total assets (RMB )	18,142,913,969	18,201,235,959	-0.32%	
Net assets attributable to shareholders of the Company (RMB )	10,164,591,669	9,495,588,878	7.05%	
	The report period	Increase/decrease in comparison with the same period of the previous year	From 1 January to 30 September 2020	Increase/decrease in comparison with the same period of 2019
Operating income (RMB)	3,044,056,708	9.76%	7,468,278,057	-2.52%
Net profit attributable to shareholders of the listed company (RMB)	335,353,516	100.85%	726,820,239	33.53%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	313,760,171	130.85%	672,404,468	60.15%
Net cash flow arising from operating activities (RMB)	893,477,970	20.67%	1,673,122,359	10.92%
Basic earnings per share (RMB/Share)	0.11	83.33%	0.24	33.33%
Diluted earnings per share (RMB/Share)	0.11	120%	0.24	41.18%
Weighted average ROE	3.38%	1.61%	7.39%	1.55%

Items and amounts of extraordinary profit (gains)/loss

Applicable  Not applicable

Unit: RMB

Item	Amount from the beginning of 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)	-1,188,304	
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)	72,459,096	

Profits and losses from external entrusted loans	5,546,384	
Other non-operating income and expenditure except for the aforementioned items	-12,508,924	
Less: Impact on income tax	8,279,010	
Impact on minority shareholders' equity (post-tax)	1,613,471	
Total	54,415,771	--

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

Applicable  Not applicable

It did not exist that the items were defined as recurring profit (gain)/loss according to the definition or the list 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* in the report period.

## II. Total of shareholders at the end of the report period and particulars about shareholdings of the top ten shareholders

### 1. Particulars about the total number of common shareholders and preference shareholders with voting rights recovered as well as the shareholdings of the top ten shareholders

Unit: Share

Total number of common shareholders at the end of the report period	144,634	Total number of preference shareholders with voting rights recovered at end of report period (if applicable)	0			
Particulars about the shareholdings of 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
Foresea Life Insurance Co., Ltd. – HailiNiannian	Domestic non state-owned legal person	15.19%	466,386,874	0		
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	Domestic non state-owned legal person	3.86%	118,425,007	0		
Zhongshan Runtian Investment Co., Ltd.	Domestic non state-owned legal person	2.82%	86,633,447	0	Pledged	81,000,000
Hong Kong Securities Clearing Company Limited	Foreign legal person	2.18%	67,052,369	0		
Foresea Life Insurance Co., Ltd. – Own Fund	Domestic non state-owned legal person	2.11%	64,765,161	0		
Central Huijin Asset Management Ltd.	State-owned legal person	1.89%	57,915,488	0		

China Galaxy International Securities (Hong Kong) Co., Limited	Foreign legal person	1.35%	41,349,778	0	
China Merchants Securities (HK) Co., Limited	State-owned legal person	1.06%	32,534,653	0	
Shenzhen International Holdings (SZ) Limited	State-owned legal person	0.95%	29,095,000	0	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.62%	19,177,013	0	
Particulars about top ten shareholders with unrestricted shares held					
Name of shareholder	Amount of unrestricted shares held	Type of shares			
		Type	Amount		
Foresea Life Insurance Co., Ltd. – HailiNiannian	466,386,874	RMB ordinary shares	466,386,874		
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	118,425,007	RMB ordinary shares	118,425,007		
Zhongshan Runtian Investment Co., Ltd.	86,633,447	RMB ordinary shares	86,633,447		
Hong Kong Securities Clearing Company Limited	67,052,369	RMB ordinary shares	67,052,369		
Foresea Life Insurance Co., Ltd. – Own Fund	64,765,161	RMB ordinary shares	64,765,161		
Central Huijin Asset Management Ltd.	57,915,488	RMB ordinary shares	57,915,488		
China Galaxy International Securities (Hong Kong) Co., Limited	41,349,778	Domestically listed foreign shares	41,349,778		
China Merchants Securities (HK) Co., Limited	32,534,653	Domestically listed foreign shares	32,534,653		
Shenzhen International Holdings (SZ) Limited	29,095,000	RMB ordinary shares	29,095,000		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	19,177,013	Domestically listed foreign shares	19,177,013		
Statement on associated relationship or consistent action among the above shareholders:	<p>Among shareholders as listed above, Foresea Life Insurance Co., Ltd.-HailiNiannian, Foresea Life Insurance Co., Ltd.-Universal Insurance Products, Foresea Life Insurance Co., Ltd.-Own Fund are all held by Foresea Life Insurance Co., Ltd.. Zhongshan Runtian Investment Co., Ltd. is a related legal person of Foresea Life Insurance Co., Ltd. and Chengtai Group Co., Ltd., another related legal person of Foresea Life Insurance Co., Ltd, which held 40,187,904 shares via China Galaxy International Securities (Hong Kong) Co., Limited.</p> <p>Except for the above-mentioned shareholders, 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.</p>				
Explanation on shareholders involving margin business (if applicable)	N/A				

Whether the top ten shareholders or top ten shareholders with unrestricted shares carried out buy back deals in the report period

Yes  No

There were no buy back deals carried out by the top ten shareholders or top ten shareholders with unrestricted shares held in the report period.

**2. Total number of preference shareholders and particulars about the shareholdings of the top ten preference shareholders**

Applicable  Not applicable

## Section III. Important events

### I. Particulars and explanations about significant changes in main accounting statements and financial indices

√ Applicable   □ Not applicable

Unit: RMB'0,000

Item of balance sheet	Note	30 September 2020	31 December 2019	Increased/Decreased amount	Rate
Notes receivable	(1)	19,226	29,702	-10,476	-35%
Accounts receivable	(2)	94,917	64,968	29,949	46%
Receivables financing	(3)	34,654	25,830	8,824	34%
Other current assets	(4)	13,205	44,800	-31,595	-71%
Investment real estate	(5)	20,317	-	20,317	100%
Construction in progress	(6)	283,464	190,214	93,250	49%
Development expenditure	(7)	11,183	8,524	2,659	31%
Short-term loans	(8)	84,764	224,097	-139,333	-62%
Advances from customers	(9)	-	29,280	-29,280	-100%
Contractual liabilities	(10)	31,046	-	31,046	100%
Tax payable	(11)	18,210	11,543	6,667	58%
Non-current liabilities due within one year	(12)	86,839	171,246	-84,407	-49%
Long-term loans	(13)	88,886	132,023	-43,137	-33%
Bonds payable	(14)	199,340	-	199,340	100%
Long-term accounts payable	(15)	3,557	8,724	-5,167	-59%
Deferred income tax liabilities	(16)	6,307	3,020	3,287	109%
Treasury stocks	(17)	-	11,807	-11,807	-100%
Other comprehensive income	(18)	16,571	657	15,914	2422%

Item of income statement	Note	From January to September 2020	From January to September 2019	Increased/Decreased amount	Rate
Credit impairment loss	(19)	551	354	197	56%
Income from asset disposal	(20)	-119	12	-131	-
Other income	(21)	7,236	14,344	-7,108	-50%
Non-operating expenses	(22)	1,876	746	1,130	151%

Income tax expenses	(23)	19,438	11,199	8,239	74%
Net amount of other comprehensive income after tax	(24)	-200	198	-398	-

Note:

- (1) The decrease in notes receivable was mainly due to changes in the collection methods of some subsidiaries.
- (2) The increase in accounts receivable was mainly due to changes in collection policies of some subsidiaries.
- (3) The increase in receivables financing was mainly due to the increase of bank acceptance bills received.
- (4) The decrease in other current assets was mainly due to the recovery of entrusted loans.
- (5) The increase in investment real estate was mainly due to the conversion of self use property into investment real estate by some subsidiaries.
- (6) The increase of construction in progress was mainly due to the transfer of fixed assets into construction in progress and the increase of project investment.
- (7) The increase of development expenditure was mainly due to the increase of R & D investment.
- (8) The decrease in short-term loans was mainly due to the repayment of part of the loans.
- (9) The decrease in advances from customers was mainly due to the reclassification of advances from customers to contractual liabilities.
- (10) The increase in contractual liabilities was mainly due to the reclassification of advances from customers to contractual liabilities.
- (11) The increase in tax payable was mainly due to the increase in profits.
- (12) The decrease in non-current liabilities due within one year was mainly due to the repayment of medium-term notes.
- (13) The decrease in long-term loans was mainly due to the reclassification of medium-term notes to non-current liabilities due within one year.
- (14) The increase in bonds payable was mainly due to the issuance of new corporate bonds.
- (15) The decrease in long-term accounts payable was mainly due to the repayment of financing lease payments.
- (16) The increase in deferred income tax liabilities was mainly due to the conversion of self use property into investment real estate by some subsidiaries.
- (17) The decrease in treasury stocks was mainly due to the repurchase of restricted stocks.
- (18) The increase in other comprehensive income was mainly due to the conversion of self use property into investment real estate by some subsidiaries.
- (19) The increase of credit impairment loss was mainly due to the increase of accounts receivable of some subsidiaries.
- (20) The decrease in income from asset disposal was mainly due to the disposal of assets.
- (21) The decrease in other income was mainly due to the decrease in the amortization amount of government subsidies.
- (22) The increase in non-operating expenses was mainly due to the increase in donation expenditure.
- (23) The increase of income tax expenses was mainly due to the increase of total profits.
- (24) The decrease in net amount of other comprehensive income after tax was mainly due to changes in the translation differences in foreign currency statements.



## II. The progress of material events and the impact as well as the analysis of solutions

√ Applicable    □ Not applicable

### 1. Ultra-short-term financing bills

On May 14, 2018, the Company's 2017 Annual Shareholders' Meeting deliberated and approved the resolution on the application for registration and issuance of ultra-short-term financing bills. It agreed that the Company should register and issue ultra-short-term financing bills with a registered amount not exceeding RMB 4 billion yuan (the limit is not subject to the limit of 40% of net assets). With the period of validity of the quota not longer than two years, such ultra-short-term financing bills will be issued by installments in accordance with the actual capital needs of the Company and the situation of inter-bank market funds. On September 17, 2018, the Chinese Association of Interbank Market Traders held its 63rd registration meeting of 2018, and decided to approve the registration of ultra-short-term financing bills with a total amount of 1.5 billion yuan and a validity period of two years. The ultra-short-term financing bills were underwritten jointly by Minsheng Bank of China Limited and Industrial Bank Co., Ltd, which could be issued by installments within the validity period of registration. On February 21, 2020, the Company issued ultra-short-term financing bills with a total amount of 300 million yuan and a term of 270 days in the first phase of 2020, with an interest rate of 4% and a payment date of November 21, 2020.

On June 15, 2020, the Third Extraordinary Shareholders' General Meeting 2020 of the Company deliberated and approved the proposal on application for registration and issuance of ultra-short-term financing bills and medium-term notes, which agreed that the Company should register and issue ultra-short-term financing bills with a registered amount not exceeding 1.5 billion yuan (the limit is not subject to the limit of 40% of net assets). With the period of validity of the quota not longer than two years, such ultra-short-term financing bills will be issued by installments in accordance with the actual capital needs of the Company and the situation of inter-bank market funds.

On September 4, 2020, the Chinese Association of Interbank Market Traders held its 102nd registration meeting of 2020, and decided to approve the registration of ultra-short-term financing bills with a total amount of 1.5 billion yuan and a validity period of two years. The ultra-short-term financing bills are underwritten jointly by Bank of China Limited and Hua Xia Bank Co., Limited, and can be issued by installments within the validity period of registration.

### 2. Medium-term notes

On 10 December 2014, the First Extraordinary Shareholders' General Meeting 2014 of CSG Holding Co., Ltd deliberated and approved the proposal of application for registration and issuance of medium-term notes with total amount of RMB 1.2 billion at most. On 21 May 2015, National Association of Financial Market Institutional Investors (NAFMII) held the 32nd registration meeting of 2015, in which NAFMII decided to accept the registration of the Company's medium-term notes, amounting to RMB 1.2 billion and valid for two years. China Merchants Bank Co., Ltd. and Shanghai Pudong Development Bank Co., Ltd. were joint lead underwriters of these medium term notes which could be issued by stages within period of validity of the registration. On July 14, 2015, the Company issued the first batch of medium-term notes with total amount of RMB 1.2 billion and valid term of 5 years at the issuance rate of 4.94%, which will be redeemed on 14 July 2020.

On April 15, 2016, the Company's 2015 Annual Shareholders' Meeting deliberated and approved the proposal of application for registration and issuance of medium-term notes with total amount of RMB 0.8 billion, which could be issued by stages within period of validity of the registration according to the Company's actual demands for funds and the status of inter-bank funds. On 2 March 2018, National Association of Financial Market Institutional Investors (NAFMII) held the 14th registration meeting of 2018, in which NAFMII decided to accept the registration of the Company's medium-term notes, amounting to RMB 0.8 billion and valid for two years. Shanghai Pudong Development Bank Co., Ltd. and China CITIC Bank Corporation Limited were joint lead underwriters of these medium-term notes which could be issued by stages within period of validity of the registration. On May 4, 2018, the Company issued the first batch of medium-term notes with a total amount of RMB 0.8 billion and a term of three years. The issue rate was 7%, and the redemption date was May 4, 2021.

On June 15, 2020, the Third Extraordinary Shareholders' General Meeting 2020 of CSG deliberated and approved the proposal on application for registration and issuance of ultra-short-term financing bills and medium-term notes, which agreed that the Company should register and issue medium-term notes with a registered amount not exceeding 1.5 billion yuan (the limit is not subject to the limit of 40% of net assets). With the period of validity of the quota not longer than two years, such medium-term notes will be issued by installments in accordance with the actual capital needs of the Company and the situation of inter-bank market funds.

On September 4, 2020, the Chinese Association of Interbank Market Traders held its 102nd registration meeting in 2020, and decided to approve the registration of medium-term notes with a total amount of 1.5 billion yuan and a validity period of two years. The medium-term notes are underwritten jointly by Bank of China Limited, Hua Xia Bank Co., Limited and Guangdong Shunde Rural Commercial Bank Co., Ltd, and can be issued by installments within the validity period of registration.

For details, please refer to [www.chinabond.com.cn](http://www.chinabond.com.cn) and [www.chinamoney.com.cn](http://www.chinamoney.com.cn).

### 3. Public issuance of corporate bonds

On March 2, 2017, the 2nd Extraordinary General Meeting of Shareholders in 2017 deliberated and approved "the Proposal on the Public Issuance of Corporate Bonds for Qualified Investors". On February 27, 2019, the First Extraordinary General Meeting of Shareholders in 2019 deliberated and approved "the Proposal on Extending the Validity Period of the Shareholders' Meeting for the Public Offering of Corporate Bonds to Qualified Investors" agreed to issue corporate bonds with a total issue of no more than RMB 2 billion and a term of no more than 10 years.

On July 22, 2019, the Company received the "Approval of Approving CSG Holding Co., Ltd. to Issue Corporate Bonds to Qualified Investors" issued by China Securities Regulatory Commission (ZJXK [2019] No. 1140). On March 24, 2020 and March 25, 2020, the Company issued the first batch of corporate bonds with total amount of RMB 2 billion and valid term of 3 years at the issuance rate of 6%, which will be redeemed on March 25, 2023..

On March 12, 2020, the First Extraordinary General Meeting of Shareholders in 2020 deliberated and approved "the Proposal on the Public Issuance of Corporate Bonds for Qualified Investors", agreed to issue corporate bonds with a total issue of no more than RMB 1.8 billion and a term of no more than 10 years.

On April 22, 2020, the Company received the "Approval of Approving CSG Holding Co., Ltd. to Issue Corporate Bonds to Qualified Investors" issued by China Securities Regulatory Commission (ZJXK[2020] No. 784).

### 4. Non-public issuance of A shares

The interim meeting of the 8th board of directors of the Company held on March 5, 2020 deliberated and approved the related proposals of non-public issuance of A shares, and agreed the Company to issue A shares privately. The proposals were deliberated and approved by the 2nd Extraordinary General Meeting of Shareholders of 2020 which held on April 16, 2020. In May 2020, the Company received the first feedback notice on the examination of administrative licensing projects of China Securities Regulatory Commission (No. 200819) issued by the China Securities Regulatory Commission, and published "Announcement on Reply to the Feedback of Application Documents For Non-public Offering of A shares" and "Announcement on the Revised Reply to the Feedback of Application Documents For Non-public Offering of A shares" on June 8, 2020 and June 29, 2020 respectively. On June 5, 2020, the Company held an interim meeting of the 9th board of directors, deliberated and approved the relevant proposals on adjusting the Company's non-public issuance of A shares. On July 6, 2020, the Issuance Audit Committee of China Securities Regulatory Commission reviewed the Company's application for non-public issuance of A shares. According to the audit results, the Company's application for non-public issuance of A shares was approved. On July 22, 2020, the Company received the "Reply on the Approval of Non-public Issuance of Shares of CSG" (ZJXK [2020] No. 1491) issued by China Securities Regulatory Commission.

For details, please refer to the related content disclosed by the Company on Juchao website ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

Implementation progress of share buyback

Applicable  Not applicable

Implementation progress of share buyback reduction through centralized bidding

Applicable  Not applicable

### **III. Commitments made by the actual controller, the shareholders, the related parties, the purchasers and the Company which failed to be fulfilled in time during the report period**

Applicable  Not applicable

There were no commitments made by the actual controller, the shareholders, the related parties, the purchasers or the Company which failed to be fulfilled in time during the report period.

### **IV. Financial assets investment**

#### **1. Securities investment**

Applicable  Not applicable

The Company had no securities investment in the report period.

#### **2. Derivative investment**

Applicable  Not applicable

The Company had no derivative investment in the report period.

### **V. Progress of projects invested by raised funds**

Applicable  Not applicable

### **VI. Prediction of business performance of 2020**

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

Applicable  Not applicable

## VII. Major contracts in daily operations

√ Applicable    □ Not applicable

Name of company signing the contract	Name of the other party signing the contract	Subject matter	Total contract amount	Progress of contract performance	Amount of sales revenue recognized in the current period and accumulated	Collection of accounts receivable
Wujiang CSG Glass Co., Ltd., Dongguan CSG Solar Glass Co., Ltd.	LONGi Solar Technology Ltd., Zhejiang LONGi Solar Technology Ltd., Taizhou LONGi Solar Technology Ltd., Yinchuan LONGi Solar Technology Ltd., Chuzhou LONGi Solar Technology Ltd., Datong LONGi Solar Technology Ltd., LONGi (H.K.) Trading Limited, LONGi (KUCHING) SDN. BHD., Xianyang LONGi Solar Technology Ltd., Jiangsu LONGi Solar Technology Ltd., Jiaxing LONGi Solar Technology Ltd., Xi'an LONGi Green Building Technology Ltd.	Photovoltaic glass	RMB 6,500 million (tax included)	In progress	The recognized income was RMB 25.2 million in this period, and the accumulated recognized income was RMB 25.2 million.	RMB 3.3 thousand

Significant difference between major contract progress and contract agreement, which affects more than 30% of the contract amount

□ Applicable    √ Not applicable

## VIII. Entrusted Financing

□ Applicable    √ Not applicable

The Company had no entrusted financing in the report period.

### **IX. Illegal external guarantee**

Applicable  Not applicable

The Company had no illegal external guarantee in the report period.

### **X. Particulars about non-operating fund of listed company which is occupied by controlling shareholder and its affiliated enterprises**

Applicable  Not applicable

In the report period, it did not exist that non-operating fund of listed company was occupied by controlling shareholder or its affiliated enterprises.

### **XI. Reception of research, communication and interview in the report period**

Applicable  Not applicable

The Company had no reception of research, communication or interview in the report period.

## Section IV. Financial Report

### (I) Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

September 30, 2020

Unit: RMB

Item	30 September 2020	31 December 2019
Current asset:		
Monetary capital	1,790,884,942	1,986,980,418
Notes receivable	192,264,472	297,023,380
Accounts receivable	949,169,424	649,681,177
Receivables financing	346,535,185	258,296,826
Prepayments	94,864,233	78,196,027
Other receivables	204,184,858	202,854,864
Accounts receivable	911,574,513	812,321,690
Other current assets	132,053,775	447,995,931
Total current assets	4,621,531,402	4,733,350,313
Non-current assets:		
Investment real estate	203,173,300	
Fixed assets	8,634,472,069	9,783,037,301
Construction in progress	2,834,643,039	1,902,140,035
Intangible assets	1,090,142,676	1,044,826,287
Development expenditure	111,833,207	85,240,356
Goodwill	315,097,756	315,097,756
Long-term prepaid expenses	10,763,579	11,351,431
Deferred tax assets	187,622,479	205,792,587
Other non-current assets	133,634,462	120,399,893
Total non-current assets	13,521,382,567	13,467,885,646
Total assets	18,142,913,969	18,201,235,959
Current liabilities:		
Short-term loan	847,643,152	2,240,969,137
Notes payable	198,287,911	232,063,968

Accounts payable	1,169,716,782	1,100,531,779
Advance payment		292,803,811
Contractual liabilities	310,464,023	
Payroll payable	266,211,949	337,866,246
Taxes payable	182,095,028	115,425,044
Other payables	259,716,623	351,374,775
Including: interest payable	94,428,777	73,251,086
Dividend payable		2,985,563
Non-current liabilities due within one year	868,385,705	1,712,456,928
Other current liabilities	300,000	300,000
Total current liabilities	4,102,821,173	6,383,791,688
Non-current liabilities:		
Long term borrowing	888,858,848	1,320,225,000
Bonds payable	1,993,402,806	
Long-term payables	35,570,260	87,240,529
Deferred income	502,117,392	513,925,557
Deferred income tax liabilities	63,068,418	30,197,657
Total non-current liabilities	3,483,017,724	1,951,588,743
Total Liabilities	7,585,838,897	8,335,380,431
Owners' equity:		
Share capital	3,070,692,107	3,106,915,005
Capital reserve	596,997,085	683,219,358
Less: Treasury shares		118,066,397
Other comprehensive income	165,713,965	6,565,864
Special reserves	10,479,031	11,102,921
Surplus reserve	946,251,286	946,251,286
Undistributed profit	5,374,458,195	4,859,600,841
Total owner's equity attributable to the parent company	10,164,591,669	9,495,588,878
Minority shareholders' equity	392,483,403	370,266,650
Total owner's equity	10,557,075,072	9,865,855,528
Total Liabilities and Owner's Equity	18,142,913,969	18,201,235,959

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

## 2. Balance Sheet of the Parent Company

Unit: RMB

Item	30 September 2020	31 December 2019
<b>Current asset:</b>		
Monetary capital	1,360,543,752	1,560,798,731
Prepayments	3,521,429	1,799,222
Other receivables	3,447,912,204	3,179,500,967
Other current assets		300,000,000
<b>Total current assets</b>	<b>4,811,977,385</b>	<b>5,042,098,920</b>
<b>Non-current assets:</b>		
Long-term receivables		1,200,000,000
Long-term equity investment	5,723,633,901	5,079,465,574
Fixed assets	19,617,142	19,550,442
Intangible assets	179,060	370,484
Other non-current assets	4,715,943	1,407,535
<b>Total non-current assets</b>	<b>5,748,146,046</b>	<b>6,300,794,035</b>
<b>Total assets</b>	<b>10,560,123,431</b>	<b>11,342,892,955</b>
<b>Current liabilities:</b>		
Short-term loan	400,000,000	1,687,000,000
Notes payable		170,000,000
Accounts payable	289,915	236,346
Payroll payable	32,912,687	53,040,982
Taxes payable	1,159,929	2,901,358
Other payables	854,760,528	1,643,156,452
<b>Including: interest payable</b>	<b>93,627,324</b>	<b>41,186,139</b>
Dividend payable		2,985,563
Non-current liabilities due within one year	800,000,000	1,200,000,000
<b>Total current liabilities</b>	<b>2,089,123,059</b>	<b>4,756,335,138</b>
<b>Non-current liabilities:</b>		
Long term borrowing	700,000,000	1,130,000,000
Bonds payable	1,993,402,806	
Deferred income	180,879,331	182,386,537
<b>Total non-current liabilities</b>	<b>2,874,282,137</b>	<b>1,312,386,537</b>
<b>Total Liabilities</b>	<b>4,963,405,196</b>	<b>6,068,721,675</b>



Owners' equity:		
Share capital	3,070,692,107	3,106,915,005
Capital reserve	741,824,399	828,046,672
Less: Treasury shares		118,066,397
Surplus reserve	960,796,646	960,796,646
Undistributed profit	823,405,083	496,479,354
Total owner's equity	5,596,718,235	5,274,171,280
Total Liabilities and Owner's Equity	10,560,123,431	11,342,892,955

### 3. Consolidated Income Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total operating income	3,044,056,708	2,773,417,909
Including: operating income	3,044,056,708	2,773,417,909
II. Total operating costs	2,508,325,591	2,464,522,217
Including: Operating costs	2,042,136,067	2,029,994,395
Taxes and surcharges	34,327,373	29,661,141
sales expense	102,794,811	93,556,963
Management costs	156,137,452	149,384,270
R&D expenses	120,358,075	89,453,795
Financial expenses	52,571,813	72,471,653
Including: interest expense	65,749,471	77,460,347
Interest income	11,987,768	7,162,227
Plus: other income	24,349,770	35,689,521
Credit impairment loss (“-“ for loss)	-2,546,184	223,834
Asset impairment loss (“-“ for loss)	-102,167,808	-135,326,316
Asset disposal income (“-“ for loss)	-846,299	-252,568
III. Operating profit (“-“ for loss)	454,520,596	209,230,163
Plus: non-operating income	4,127,957	2,790,510
Less: non-operating expenses	1,219,459	1,162,203
IV. Gross profit (“-“ for loss)	457,429,094	210,858,470
Less: Income tax expenses	110,269,067	35,530,123
V. Net profit (“-“ for net loss)	347,160,027	175,328,347
(I) Classification by business continuity		

1. Net profit from continuing operations (“-“ for net loss)	347,160,027	175,328,347
(II) Classification by ownership		
1. Net profit attributable to the owners of parent company	335,353,516	166,970,717
2. Minor shareholders' equity	11,806,511	8,357,630
VI. Net amount of other gains after tax	-3,370,468	1,699,294
Net amount of other gains after tax attributable to owners of parent company	-3,370,468	1,699,294
(II) Other comprehensive income that will be reclassified into profit or loss	-3,370,468	1,699,294
1. Foreign currency financial statement translation difference	-3,370,468	1,699,294
VII. Total of misc. incomes	343,789,559	177,027,641
Total of misc. incomes attributable to the owners of the parent company	331,983,048	168,670,011
Total misc gains attributable to the minor shareholders	11,806,511	8,357,630
VIII. Earnings per share:		
(I) Basic earnings per share	0.11	0.06
(II) Diluted earnings per share	0.11	0.05

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

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

Unit: RMB

Item	Balance of this period	Balance of last period
I. Operating income	19,389,378	19,599,133
Less: Operating costs		
Taxes and surcharges	90,606	33,330
sales expense		
Management costs	31,985,361	38,951,830
R&D expenses	29,555	410,606
Financial expenses	48,122,951	32,656,871
Including: interest expense	58,686,415	39,315,340
Interest income	11,075,208	6,337,011

Plus: other income	1,772,491	2,146,610
Credit impairment loss (“-“ for loss)	-7,395	-44,670
Asset disposal income (“-“ for loss)	4,373	502,000
II. Operating profit (“-“ for loss)	-59,069,626	-49,849,564
Plus: non-operating income		
Less: non-operating expenses	896,720	1,030,000
III. Gross profit (“-“ for loss)	-59,966,346	-50,879,564
Less: Income tax expenses		
IV. Net profit (“-“ for net loss)	-59,966,346	-50,879,564
(I) Net profit from continuing operations (“-“ for net loss)	-59,966,346	-50,879,564
V. Total of misc. incomes	-59,966,346	-50,879,564
VI. Earnings per share:		

## 5. Consolidated income statement for Jan.-Sept. 2020

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	7,468,278,057	7,661,655,487
Including: Business income	7,468,278,057	7,661,655,487
II. Total business cost	6,476,096,799	6,991,295,788
Including: Business cost	5,201,703,098	5,701,371,220
Tax and surcharges	86,665,765	86,349,138
Sales expense	264,434,345	266,060,362
Administrative expense	473,556,859	442,246,625
R&D expenses	265,421,722	263,729,931
Financial expenses	184,315,010	231,538,512
Including: Interest expense	217,928,435	248,491,952
Interest income	36,919,131	22,085,602
Plus: other income	72,359,096	143,444,934
Credit impairment loss (“-“ for loss)	-5,508,104	-3,541,836
Asset impairment loss (“-“ for loss)	-102,013,755	-135,326,316
Asset disposal income (“-“ for loss)	-1,188,304	118,401
III. Operating profit (“-“ for loss)	955,830,191	675,054,882
Plus: non-operating income	6,346,088	6,456,825

Less: non-operating expenses	18,755,012	7,455,430
IV. Gross profit (“-“ for loss)	943,421,267	674,056,277
Less: Income tax expenses	194,384,275	111,988,863
V. Net profit (“-“ for net loss)	749,036,992	562,067,414
(I) Classification by business continuity		
1. Net profit from continuing operations (“-“ for net loss)	749,036,992	562,067,414
(II) Classification by ownership		
1. Net profit attributable to the owners of parent company	726,820,239	544,313,118
2. Minor shareholders' equity	22,216,753	17,754,296
VI. Net amount of other gains after tax	-2,003,696	1,979,455
Net amount of other gains after tax attributable to owners of parent company	-2,003,696	1,979,455
(I) Other comprehensive income that will be reclassified into profit or loss	-2,003,696	1,979,455
1. Foreign currency financial statement translation difference	-2,003,696	1,979,455
VII. Total of comprehensive income	747,033,296	564,046,869
Total of misc. incomes attributable to the owners of the parent company	724,816,543	546,292,573
Total misc gains attributable to the minor shareholders	22,216,753	17,754,296
VIII. Earnings per share:		
(I) Basic earnings per share	0.24	0.18
(II) Diluted earnings per share	0.24	0.17

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

## 6. Income statement of the Parent Company for Jan.-Sept. 2020

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	56,874,132	57,755,818
Less: Operating costs		
Tax and surcharges	1,112,176	518,198
Sales expense		
Administrative expense	91,516,106	102,583,448

R&D expenses	38,805	766,444
Financial expenses	127,626,312	97,201,706
Including: Interest expense	159,143,918	113,702,087
Interest income	33,758,257	19,075,093
Plus: other income	3,727,712	3,612,857
Investment income("—" for loss)	703,591,508	390,105,325
Credit impairment loss ("—" for loss)	-423	49,644
Asset disposal income ("—" for loss)	5,354	502,000
II. Operating profit ("—" for loss)	543,904,884	250,955,848
Plus: non-operating income		2,403,225
Less: non-operating expenses	5,016,270	4,889,460
III. Gross profit ("—" for loss)	538,888,614	248,469,613
Less: Income tax expenses		
VI. Net profit ("—" for net loss)	538,888,614	248,469,613
(I) Net profit from continuing operations ("—" for net loss)	538,888,614	248,469,613
V. Total of comprehensive income	538,888,614	248,469,613
VI. Earnings per share:		

## 7. Consolidated Cash Flow Statement for Jan.-Sept. 2020

Unit: RMB

Item	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	7,925,278,113	8,428,098,411
Tax returned	39,215,039	18,305,669
Other cash received from business operation	127,134,715	102,269,234
Sub-total of cash inflow from business activities	8,091,627,867	8,548,673,314
Cash paid for purchasing of merchandise and services	4,434,760,362	5,090,478,028
Cash paid to staffs or paid for staffs	1,032,873,072	999,968,278
Taxes paid	507,631,010	477,640,490
Other cash paid for business activities	443,241,064	472,196,718
Sub-total of cash outflow from business activities	6,418,505,508	7,040,283,514
Net cash flow generated by business operation	1,673,122,359	1,508,389,800

II. Cash flow generated by investing		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,079,253	514,875
Other investment-related cash received	378,880,449	36,440,563
Sub-total of cash inflow due to investment activities	379,959,702	36,955,438
Cash paid for construction of fixed assets, intangible assets and other long-term assets	759,625,919	459,047,736
Other cash paid for investment activities	61,491,512	53,341,928
Sub-total of cash outflow due to investment activities	821,117,431	512,389,664
Net cash flow generated by investment	-441,157,729	-475,434,226
III. Cash flow generated by financing		
Cash received as loans	2,135,739,841	2,525,743,740
Cash received from bond issuance	1,991,680,000	
Other financing-related cash received	3,819,801	500,000,000
Subtotal of cash inflow from financing activities	4,131,239,642	3,025,743,740
Cash to repay debts	4,483,618,135	2,600,659,040
Cash paid as dividend, profit, or interests	419,266,696	425,509,363
Other cash paid for financing activities	503,297,544	1,546,884,782
Subtotal of cash outflow due to financing activities	5,406,182,375	4,573,053,185
Net cash flow generated by financing	-1,274,942,733	-1,547,309,445
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,289,658	1,571,638
V. Net increase of cash and cash equivalents	-44,267,761	-512,782,233
Plus: Balance of cash and cash equivalents at the beginning of term	1,831,835,030	2,225,126,913
VI. Balance of cash and cash equivalents at the end of term	1,787,567,269	1,712,344,680

## 8. Cash Flow Statement of the Parent Company for Jan.-Sept. 2020

Unit: RMB

Item	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Other cash received from business operation	45,157,432	35,177,783
Sub-total of cash inflow from business activities	45,157,432	35,177,783
Cash paid to staffs or paid for staffs	95,662,566	88,784,201

Taxes paid	7,837,267	3,219,099
Other cash paid for business activities	20,850,979	28,928,195
Sub-total of cash outflow from business activities	124,350,812	120,931,495
Net cash flow generated by business operation	-79,193,380	-85,753,712
<b>II. Cash flow generated by investing</b>		
Cash received from investment income	703,591,508	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,000	2,000
Cash received in connection with other investment activities	300,000,000	
Sub-total of cash inflow due to investment activities	1,003,592,508	2,000
Cash paid for construction of fixed assets, intangible assets and other long-term assets	6,524,571	4,877,721
Cash paid as investment	644,168,327	66,000,000
Sub-total of cash outflow due to investment activities	650,692,898	70,877,721
Net cash flow generated by investment	352,899,610	-70,875,721
<b>III. Cash flow generated by financing</b>		
Cash received from borrowing	1,532,999,801	2,024,500,000
Cash received from bond issuance	1,991,680,000	
Other financing-related cash received	122,140,739	
Subtotal of cash inflow from financing activities	3,646,820,540	2,024,500,000
Cash to repay debts	3,649,999,801	1,787,500,000
Cash paid as dividend, profit, or interests	320,399,318	207,984,342
Other cash paid for financing activities		550,998,441
Subtotal of cash outflow due to financing activities	3,970,399,119	2,546,482,783
Net cash flow generated by financing	-323,578,579	-521,982,783
IV. Influence of exchange rate alternation on cash and cash equivalents	-25,935	35,235
V. Net increase of cash and cash equivalents	-49,898,284	-678,576,981
Plus: Balance of cash and cash equivalents at the beginning of term	1,407,215,863	1,699,514,334
VI. Balance of cash and cash equivalents at the end of term	1,357,317,579	1,020,937,353

## II. Note to the Adjustment of the Financial Statements

### 1. Adjustment of the relevant items of the financial statements at the current year beginning according to the new standards for financial instruments, the new standards for revenues and the new standards for lease implemented commencing from year 2020

Applicable     Not applicable

Whether the accounts of the balance sheet at the beginning of the year shall be adjusted

Yes     No

Unit: RMB

Item	31 December 2019	1 January 2020	Adjusted amount
Advances from customers	292,803,811		-292,803,811
Contractual liabilities		292,803,811	292,803,811

In July, 2017, the Ministry of Finance issued new Accounting Standards for Business Enterprises No. 14 - Revenue. According to the regulations, for the enterprises listed both at home and abroad and enterprises listed abroad which prepared financial statements by adopting international financial reporting standards or accounting standards for business enterprises, the new accounting standard shall be implemented from January 1, 2018, while for other domestic listed enterprises, it shall be implemented from January 1, 2020.

According to the above provisions, the Company has implemented the newly issued income standards since January 1, 2020. The sales contract payment received in advance which was previously presented in "advances from customers " has been adjusted to present in "contractual liabilities" since January 1, 2020.

### 2. Note to the retroactive adjustment of the previous comparative data according to the new standards for financial instruments and the new standards for lease implemented commencing from year 2020

Applicable     Not applicable

## III .Auditor's Report

Whether the third quarter report has been audited or not

Yes     No

The third quarter report of the Company has not been audited.

**Board of Directors of  
CSG Holding Co., Ltd.  
26 October 2020**