

CSG HOLDING CO., LTD.

THE THIRD QUARTER REPORT 2018



Chairman of the Board:
CHEN LIN

October 2018

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 the meeting of the Board for deliberating the Third Quarter Report of 2018 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 2018 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 current period	The end of last year	Increase/decrease in comparison with the end of last year	
Total assets (RMB)	19,846,932,488.00	19,535,002,368.00	1.60%	
Net assets attributable to shareholders of the Company (RMB)	8,956,264,606.00	8,458,587,873.00	5.88%	
	Current period	Increase/decrease in comparison with the same period of last year	From 1 January to 30 September 2018	Increase/decrease in comparison with the same period of 2017
Operating income (RMB)	2,680,693,459.00	-5.83%	8,151,251,436.00	4.63%
Net profit attributable to shareholders of the listed company (RMB) ^[Note (1)]	116,279,185.00	-63.44%	469,116,338.00	-34.02% ^[Note (6)]
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB) ^[Note (2)]	86,201,062.00	-69.01%	419,639,159.00	-34.28%
Net cash flow arising from operating activities (RMB)	--	--	1,410,826,022.00	-21.74%
Basic earnings per share (RMB/Share) ^[Note (3)]	0.04	-66.67%	0.17	-34.62%
Diluted earnings per share (RMB/Share) ^[Note (4)]	0.04	-66.67%	0.16	-38.46%
Weighted average ROE ^[Note (5)]	1.34%	-2.57%	5.39%	-3.35%

Note:

Note (1): The data in the above table has included apportionment of equity incentive expense included in profit and loss of RMB 140.41 million from Jan. to Sep. 2018, which affected the net profit attributable to shareholders of the listed company of RMB 123.43 million . In the period from Jan. to Sep. 2018, after eliminating the impact of equity incentive cost sharing, the net profit attributable to shareholders of the listed company was RMB 592.54 million , with a year-on-year decrease of RMB 118.47 million and decrease ratio of 17%.

Note (2): After eliminating the impact of equity incentive cost sharing, net profit attributable to shareholders of the listed company from Jan. to Sep. 2018 was RMB 543.07 million with a year-on-year decrease of RMB 95.42 million and decrease ratio of 15%.

Note (3): After eliminating the impact of equity incentive cost sharing, basic earnings per share from Jan. to Sep. 2018 was RMB

0.21 per share, with year-on-year decrease ratio of 19%.

Note (4): After eliminating the impact of equity incentive cost sharing, diluted earnings per share from Jan. to Sep. 2018 was RMB 0.21 per share, with year-on-year decrease ratio of 19%.

Note (5): After eliminating the impact of equity incentive cost sharing, weighted average ROE from Jan. to Sep. 2018 was 6.81%, with year-on-year decrease ratio of 1.93%.

Note (6): The main reason for the decline was that the prices of major products in the solar industry continued to decline as the installed capacity of new ordinary PV power stations dropped sharply after the "5.31 New Policy". In the period from Jan. to Sep. 2018, the solar industry realized revenue of RMB 1.977 billion, with a year-on-year decrease of RMB 242 million compared and decrease ratio of 10.9%, and a cumulative net profit of RMB -103 million, a year-on-year decrease of RMB 309 million.

In the period from Jan. to Sep. 2018, the operation of other industries of the Company was in good condition. The glass industry achieved operating income of RMB 5.518 billion, with a year-on-year increase of RMB 431 million and growth rate of 8.5%, and net profit of RMB 625 million, with a year-on-year increase of RMB 61 million and growth rate of 11%. The electronic glass and display industry realized revenue of RMB 729 million from Jan. to Sep. 2018, with a year-on-year increase of RMB 123 million of 20%, and net profit of RMB 104 million, with a year-on-year increase of RMB 58 million and growth rate of 122%.

The total share capital of the company as of the previous trading day of disclosure:

The total share capital of the company as of the previous trading day of disclosure (share)	2,863,277,201
Fully diluted earnings per share calculated with latest equity (RMB/share)	0.16

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)	-455,305.00	
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)	54,298,963.00	
Other non-operating income and expenditure except for the aforementioned items	7,190,386.00	
Less: Impact on income tax	9,103,310.00	
Impact on minority shareholders' equity (post-tax)	2,453,555.00	
Total	49,477,179.00	--

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	152,928	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. – Haili Niannian	Domestic non state-owned legal person	14.81%	423,988,067	0		
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	Domestic non state-owned legal person	3.76%	107,659,097	0		
Shenzhen Jushenghua Co., Ltd.	Domestic non state-owned legal person	2.75%	78,757,679	0		
Foresea Life Insurance Co., Ltd. – Own Fund	Domestic non state-owned legal person	2.06%	58,877,419	0		
Central Huijin Asset Management Ltd.	State-owned legal person	1.84%	52,650,444	0		
China Galaxy International Securities (Hong Kong) Co., Limited	Foreign legal person	1.30%	37,313,064	0		
China Merchants Securities (HK) Co., Limited	State-owned legal person	1.02%	29,093,513	0		
Shenzhen International Holdings (SZ) Limited	Domestic non state-owned legal person	0.92%	26,450,000	0		
Wang Heng	Domestic natural person	0.64%	18,375,167	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.61%	17,563,848	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. – Haili Niannian	423,988,067	RMB ordinary shares	423,988,067
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	107,659,097	RMB ordinary shares	107,659,097
Shenzhen Jushenghua Co., Ltd.	78,757,679	RMB ordinary shares	78,757,679
Foresea Life Insurance Co., Ltd. – Own Fund	58,877,419	RMB ordinary shares	58,877,419
Central Huijin Asset Management Ltd.	52,650,444	RMB ordinary shares	52,650,444
China Galaxy International Securities (Hong Kong) Co., Limited	37,313,064	Domestically listed foreign shares	37,313,064
China Merchants Securities (HK) Co., Limited	29,093,513	Domestically listed foreign shares	29,093,513
Shenzhen International Holdings (SZ) Limited	26,450,000	RMB ordinary shares	26,450,000
Wang Heng	18,375,167	RMB ordinary shares	18,375,167
VANGUARD EMERGING MARKETS STOCK INDEX FUND	17,563,848	Domestically listed foreign shares	17,563,848
Statement on associated relationship or consistent action among the above shareholders:	<p>Among shareholders as listed above, Foresea Life Insurance Co., Ltd.-Haili Niannian, Foresea Life Insurance Co., Ltd.-Universal Insurance Products, Foresea Life Insurance Co., Ltd.-Own Fund are all held by Foresea Life Insurance Co., Ltd. Shenzhen Jushenghua 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 36,534,458 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

Item of balance sheet	Note	30 September 2018	31 December 2017	Increased/Decreased amount	Rate
Other current assets	(1)	121,620,340	200,847,989	(79,227,649)	-39%
Construction in progress	(2)	2,024,910,115	1,417,624,618	607,285,497	43%
Long-term prepaid expenses	(3)	13,171,381	2,223,397	10,947,984	492%
Deferred tax assets	(4)	119,434,919	80,872,862	38,562,057	48%
Other non-current assets	(5)	85,471,681	51,941,352	33,530,329	65%
Long term borrowings	(6)	2,349,500,000	1,554,120,000	795,380,000	51%
Long-term payables	(7)	683,574,458	1,161,794,247	(478,219,789)	-41%
Special reserves	(8)	4,508,765	3,224,938	1,283,827	40%
Other comprehensive income	(9)	5,104,057	1,948,943	3,155,114	162%
Item of income statement	Note	From January to September 2018	From January to September 2017	Increased/Decreased amount	Rate
Administrative expenses	(10)	523,550,697	347,183,080	176,367,617	51%
Asset impairment losses	(11)	5,545,468	2,971,645	2,573,823	87%
Other income	(12)	54,760,584	25,096,345	29,664,239	118%
Investment income	(13)	-	427,638	(427,638)	-100%
Income from asset disposal	(14)	(455,305)	243,956	(699,261)	-287%
Non-operating income	(15)	8,221,388	63,678,488	(55,457,100)	-87%
Income tax expense	(16)	89,021,326	139,912,194	(50,890,868)	-36%
Net profit attributable to shareholders of the parent company	(17)	469,116,338	711,011,371	(241,895,033)	-34%
shareholders' gains and losses	(18)	16,781,444	10,810,974	5,970,470	55%
Other comprehensive income	(19)	3,155,114	(1,946,922)	5,102,036	-

Note:

- (1) The decrease in other current assets was mainly due to the fact that some subsidiaries received government refunds of VAT.
- (2) The increase in construction in progress was mainly due to the transfer of fixed assets of some subsidiaries to construction in progress.
- (3) The increase in long-term deferred expenses is mainly due to the amortization of land lease payments.

- (4) The increase in deferred income tax assets was mainly due to the increase in share-based payment and tax losses.
- (5) The increase in other non-current assets was mainly due to the increase in prepaid engineering equipment.
- (6) The increase in long-term borrowings was mainly due to the new issue of medium-term notes in the current period.
- (7) The decrease in long-term payables was mainly due to the repayment of financial lease payments in the current period.
- (8) The increase in special reserves was mainly due to increased investment in safety production.
- (9) The increase in other comprehensive income was mainly due to the change in the translation difference of foreign currency statements.
- (10) The increase in administrative expenses was mainly due to the amortization of restricted stock expenses.
- (11) The increase in asset impairment losses was mainly due to the increase in accounts receivable and the lower balance of the previous period.
- (12) The increase in other income was mainly due to the reclassification of non-operating income as required by accounting standards.
- (13) The decrease in investment income was mainly due to the fact that there was no occurrence in the current period and the amount incurred in the previous year was small.
- (14) The decrease in income from asset disposal was mainly due to disposal of non-current assets loss.
- (15) The decrease in non-operating income was mainly due to the reclassification of non-operating income as required by accounting standards and a decrease in current period.
- (16) The decrease in income tax expenses was mainly due to the decrease in income tax expenses of some subsidiaries.
- (17) The decrease in net profit attributable to shareholders of the parent company was mainly due to the impact of “5.31 New Policy” and the decline in profitability of some subsidiaries.
- (18) The increase in minority shareholders' gains and losses was mainly due to the increase in net profit of some subsidiaries with minority shareholders.
- (19) The increase in other comprehensive income was mainly due to the change in the translation difference of foreign currency statements.

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

√Applicable □ Not applicable

1. Short-term Financing Bills

On Dec.14, 2016, the second extraordinary shareholders' general meeting of 2016 of CSG deliberated and approved the proposal of the offering and registration of short-term financing bills, and agreed the Company's registration and issuance of short-term financing bills with a total amount of RMB 2.7 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. However, the term of each issue shall not be longer than one year and the registered quota shall not exceed 40 percent of the Company's net assets.

2. Ultra-short-term financing bills

On 14 May 2018, the 2017 Annual General Meeting of Shareholders' deliberated and approved the proposal of application for registration and issuance of ultra-short-term financing bills with registered capital of RMB 4 billion at most and validity within 2 years (This amount is not subject to a 40% net asset limit) 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 September 17, 2018, National Association of Financial Market Institutional Investors (NAFMII) held the 63rd registration meeting of 2018, in which NAFMII decided to accept the registration of the Company's ultra-short-term financing bills, amounting to RMB 1.5 billion and

valid for two years. China Minsheng Banking Corporation Limited and Industrial 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.

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

3. Perpetual bonds

On April 15, 2016, the Shareholders' General Meeting 2015 of CSG deliberated and approved the proposal of application for registration and issuance of perpetual bonds, and agreed the Company to register and issue perpetual bonds with total amount of RMB 3.1 billion which could be issued by stages within period of validity of the registration according to the Company's actual demand for funds and the capital status of inter-bank market.

4. Medium-term notes

On December 10, 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 May 21, 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 10, 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 July 14, 2020.

On April 15, 2016, the Shareholders' General Meeting of 2015 of CSG 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 March 2, 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 total amount of RMB 0.8 billion and valid term of 3 years at the issuance rate of 7%, which will be redeemed on May 4, 2021.

On May 22, 2017, the Shareholders' General Meeting of 2016 of CSG deliberated and approved the proposal of application for registration and issuance of medium term notes with total amount of RMB 1 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.

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

5. Implementation of the Company's stock incentive plan

On Oct. 10, 2017, the third meeting of the Company's eighth session of the board of directors deliberated and approved 2017 A-share Restricted Stock Incentive Plan (Draft) of CSG and its abstract, the Implementation Evaluation and Management Measures of 2017 A-share Restricted Stock Incentive Plan (Draft) of CSG and the Proposal to Apply for the Shareholders' Meeting to Authorize the Board of Directors to Handle the Issues Related to 2017 A-share Restricted Stock Incentive Plan. For the above-mentioned contents, please refer to the Decision Bulletin of the Third Meeting of the Eighth Session of the Board of Directors (Notice No. 2017-063) published in www.cninfo.com.cn on Oct. 11, 2017. The independent directors of the company have issued independent opinions on the issues related to the company's 2017 restricted A-share incentive plan.

On Oct. 26, 2017, 2017 fifth temporary shareholders' meeting of the company convened the above three resolutions. On Dec. 11, 2017, the 21st temporary meeting of the eighth session of the board of directors deliberated and approved *the Resolution on Adjusting*

the Granting List and Quantity of Targets of 2017 A-share Restricted Stock Incentive Plan. It is determined that 454 staff will be granted with 97,511,654 restricted shares on Dec. 11, 2017. The first award price is RMB 4.28 /share and 17,046,869 restricted shares will be reserved. The granted shares were registered at the China Registration and Clearing Corporation Shenzhen Branch and were listed on December 25, 2017. For detailed contents, refer to *the Announcement on Completion of the Granting of 2017 Restricted A-shares* (Notice No.: 2017-079) published on Juchao Information Network (www.cninfo.com.cn) on Dec. 22, 2017.

On July 20, 2018, the Company held the extraordinary meeting of the eighth board of directors and extraordinary meeting of the eighth board of supervisors, and reviewed and approved the *“Proposal on Repurchase and Restricting Partially Restricted Stocks of Restricted Stock Incentive Plan”*, on which the independent director of the Company issued consent opinions and V&T (Shenzhen) Law Firm issued the corresponding legal opinions. And the Proposal was approved by the Second Extraordinary Shareholders’ General Meeting 2018 on August 6, 2018. As of September 10, 2018, the Company had completed the cancellation procedures for the above-mentioned restricted stocks at China Securities Depository and Clearing Co., Ltd. Shenzhen Branch. The total number of shares of the Company was changed from 2,856,769,678 shares to 2,853,450,621 shares. For details, please refer to the Announcement on the Completion of Partial Restricted Stock Repurchase and Cancellation (Notice No.: 2018-052) published on Juchao Information Network (www.cninfo.com.cn) on September 11, 2018.

On September 13, 2018, the Company held the extraordinary meeting of the eighth board of directors and extraordinary meeting of the eighth board of supervisors, and reviewed and approved the *“Proposal on granting reserved restricted stock for incentive objects for the 2017 Restricted Stock Incentive Plan”*. According to the relevant provisions of “2017 A-share Restricted Stock Incentive Plan (Draft) of CSG” (hereinafter referred to as “Incentive Plan”) and the authorization of the Fifth Extraordinary Shareholders’ General Meeting 2017, proposed by the Remuneration and Appraisal Committee of The Board of Directors, The Board of Directors of the Company considered that the conditions for granting reserved stocks under the Incentive Plan had been fulfilled, and agreed to grant reserved restricted incentive stocks to the incentive objects on September 13, 2018, and granted a total of 9,826,580 reserved restricted stocks to 75 incentive targets at a price of RMB 3.68 per share. As the Company implemented the 2017 profit distribution plan, the number of reserved stocks and the price of the reserved shares have been adjusted according to the relevant provisions of the Incentive Plan and the authorization of the Fifth Extraordinary Shareholders’ General Meeting 2017. The granted shares were registered at the China Registration and Clearing Corporation Shenzhen Branch and were listed on September 28, 2018. For details, please refer to the Announcement on the Completion of the Reserved Restricted Stocks Grant (Notice No.:2018-056) published on Juchao Information Network (www.cninfo.com.cn) on September 26, 2018.

According to the relevant provisions of the Accounting Standards for Enterprises, the implementation of restricted shares will have certain impacts on the financial situation and operating results of the company in the coming years. The results will be based on the annual audit report issued by the accounting firm.

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. Prediction of business performance of 2018

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

V. Securities investment

☐ Applicable ☒ Not applicable

The Company had no securities investment in the report period.

VI. Entrusted financial management

☒ Applicable ☐ Not applicable

Unit: RMB 0,000

Specific type	Source	Amount	Unexpired balance	Overdue amount not recovered
Bank financing product	Own funds	5,000	0	0
Brokerage financing product	Own funds	20,000	0	0
Total		25,000	0	0

Specific circumstances of high-risk entrusted financial management with significant or low security, poor liquidity and no capital guarantee for a single item

☐ Applicable ☒ Not applicable

Entrusted financial management which is expected to be unable to recover the principal or other circumstances that may result in impairment

☐ Applicable ☒ Not applicable

VII. Derivatives investment

☐ Applicable ☒ Not applicable

The Company had no derivatives investment in the report period.

VIII. 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.

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.

Section IV. Financial Report

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

September 30, 2018

Unit: RMB

Item	Ending balance	Beginning balance
Current asset:		
Monetary capital	3,013,212,893.00	2,462,605,764.00
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable	1,395,477,632.00	1,190,470,710.00
Including: Notes receivable	597,349,654.00	552,232,420.00
Accounts receivable	798,127,978.00	638,238,290.00
Prepayments	102,298,392.00	143,848,023.00
Premium receivable		
Accounts receivable reinsurance		
Receivable contract reserve		
Other receivables	207,938,069.00	205,939,019.00
Buy back resale financial assets		
Inventories	613,927,485.00	685,895,317.00
Holding assets for sale	45,983,520.00	45,983,520.00
Non-current assets due within one year		
Other current assets	121,620,340.00	200,847,989.00
Total current assets	5,500,458,331.00	4,935,590,342.00
Non-current assets:		
Loans and advances		
Available for sale financial assets		
Held to maturity investments		

Long-term receivables		
Long-term equity investment		
Investment real estate		
Fixed assets	10,590,180,745.00	11,540,769,697.00
Construction in progress	2,024,910,115.00	1,417,624,618.00
Productive biological assets		
Oil and gas assets		
Intangible assets	1,039,018,260.00	1,047,222,407.00
Development expenditure	76,894,900.00	61,365,537.00
Goodwill	397,392,156.00	397,392,156.00
Long-term prepaid expenses	13,171,381.00	2,223,397.00
Deferred tax assets	119,434,919.00	80,872,862.00
Other non-current assets	85,471,681.00	51,941,352.00
Total non-current assets	14,346,474,157.00	14,599,412,026.00
Total assets	19,846,932,488.00	19,535,002,368.00
Current liabilities:		
Short-term loan	3,484,502,199.00	3,704,630,909.00
Borrowing from the central bank		
Deposits and interbank deposits		
Loans from other banks		
Financial liabilities measured at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable	1,311,010,816.00	1,613,567,664.00
Advance payment	216,748,063.00	195,563,465.00
Selling repurchased financial assets		
Fees and commissions		
Payroll payable	195,672,839.00	272,170,660.00
Taxes payable	113,460,360.00	111,996,764.00
Other payables	676,738,481.00	653,357,094.00
Accounts payable reinsurance		
Insurance contract reserve		
Agent trading securities		
Agency underwriting securities		

Holding liabilities for sale		
Non-current liabilities due within one year	948,770,496.00	904,261,397.00
Other current liabilities	300,000.00	300,000.00
Total current liabilities	6,947,203,254.00	7,455,847,953.00
Non-current liabilities:		
Long term borrowing	2,349,500,000.00	1,554,120,000.00
Bonds payable		
Including: Preferred stock		
Perpetual bonds		
Long-term payables	683,574,458.00	1,161,794,247.00
Long-term payroll pay		
Estimated liabilities		
Deferred income	546,036,956.00	562,701,103.00
Deferred income tax liabilities	24,036,532.00	20,915,954.00
Other non-current liabilities		
Total non-current liabilities	3,603,147,946.00	3,299,531,304.00
Total Liabilities	10,550,351,200.00	10,755,379,257.00
Owners' equity:		
Share capital	2,863,277,201.00	2,484,147,547.00
Other equity instruments		
Including: Preferred stock		
Perpetual bonds		
Capital reserve	1,094,514,512.00	1,306,381,765.00
Less: Treasury shares	436,427,756.00	417,349,879.00
Other comprehensive income	5,104,057.00	1,948,943.00
Special reserves	4,508,765.00	3,224,938.00
Surplus reserve	920,592,332.00	920,592,332.00
General risk preparation		
Undistributed profit	4,504,695,495.00	4,159,642,227.00
Total owner's equity attributable to the parent company	8,956,264,606.00	8,458,587,873.00
Minority shareholders' equity	340,316,682.00	321,035,238.00
Total owner's equity	9,296,581,288.00	8,779,623,111.00
Total Liabilities and Owner's Equity	19,846,932,488.00	19,535,002,368.00

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	Ending balance	Beginning balance
Current asset:		
Monetary capital	2,267,895,375.00	1,681,877,320.00
Financial assets measured at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable		
Including: Notes receivable		
Accounts receivable		
Prepayments	750,005.00	146,132.00
Other receivables	2,797,681,917.00	2,400,334,816.00
Inventories		
Holding assets for sale		
Non-current assets due within one year		
Other current assets		
Total current assets	5,066,327,297.00	4,082,358,268.00
Non-current assets:		
Available for sale financial assets		
Held to maturity investments		
Long-term receivables	1,248,954,319.00	1,200,000,000.00
Long-term equity investment	4,937,807,541.00	4,795,987,652.00
Investment real estate		
Fixed assets	19,626,339.00	22,182,246.00
Construction in progress	2,261,607.00	
Productive biological assets		
Oil and gas assets		
Intangible assets	1,171,938.00	1,742,109.00
Development expenditure		
Goodwill		
Long-term prepaid expenses		

Deferred tax assets		
Other non-current assets	732,038.00	2,132,041.00
Total non-current assets	6,210,553,782.00	6,022,044,048.00
Total assets	11,276,881,079.00	10,104,402,316.00
Current liabilities:		
Short-term loan	2,567,500,000.00	2,600,000,000.00
Financial liabilities measured at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable	261,024.00	261,024.00
Advance payment		
Payroll payable	23,933,210.00	40,856,313.00
Taxes payable	1,407,814.00	1,762,580.00
Other payables	1,227,290,586.00	912,523,726.00
Holding liabilities for sale		
Non-current liabilities due within one year	180,000,000.00	180,000,000.00
Other current liabilities		
Total current liabilities	4,000,392,634.00	3,735,403,643.00
Non-current liabilities:		
Long term borrowing	2,000,000,000.00	1,200,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual bonds		
Long-term payables		
Long-term payroll pay		
Estimated liabilities		
Deferred income	185,113,460.00	186,526,280.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	2,185,113,460.00	1,386,526,280.00
Total Liabilities	6,185,506,094.00	5,121,929,923.00
Owners' equity:		
Share capital	2,863,277,201.00	2,484,147,547.00
Other equity instruments		

Including: Preferred stock		
Perpetual bonds		
Capital reserve	1,239,341,826.00	1,451,209,079.00
Less: Treasury shares	436,427,756.00	417,349,879.00
Other comprehensive income		
Special reserves		
Surplus reserve	935,137,692.00	935,137,692.00
Undistributed profit	490,046,022.00	529,327,954.00
Total owner's equity	5,091,374,985.00	4,982,472,393.00
Total Liabilities and Owner's Equity	11,276,881,079.00	10,104,402,316.00

3. Consolidated Income Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total operating income	2,680,693,459.00	2,846,570,536.00
Including: operating income	2,680,693,459.00	2,846,570,536.00
Interest income		
Earned premium		
Fee and commission income		
II. Total operating costs	2,563,636,781.00	2,513,603,071.00
Including: Operating costs	2,092,944,976.00	2,091,578,265.00
Interest expense		
Fee and commission expenses		
Withdrawal		
Net loss of expenditure		
Withdrawal of insurance contract reserve net		
dividend payment policy		
Reinsurance costs		
Taxes and surcharges	35,812,891.00	31,903,226.00
sales expense	90,526,141.00	87,244,775.00
Management costs	168,654,876.00	115,556,825.00
R&D expenses	86,247,328.00	94,462,168.00
Financial expenses	87,558,710.00	90,994,862.00
Including: interest expense	109,819,290.00	86,770,411.00

Interest income	23,542,159.00	2,340,671.00
Asset impairment loss	1,891,859.00	1,862,950.00
Plus: other income	32,285,163.00	785,044.00
Investment income (“-“ for loss)		427,638.00
Including: investment income from joint ventures and joint ventures		
Gains from changes in fair value (“-“ for loss)		
Exchange gains (“-“ for loss)		
Asset disposal income (“-“ for loss)	112,525.00	315,712.00
III. Operating profit (“-“ for loss)	149,454,366.00	334,495,859.00
Plus: non-operating income	5,625,593.00	47,706,626.00
Less: non-operating expenses	614,072.00	1,135,015.00
IV. Gross profit (“-“ for loss)	154,465,887.00	381,067,470.00
Less: Income tax expenses	27,650,222.00	59,459,173.00
V. Net profit (“-“ for net loss)	126,815,665.00	321,608,297.00
(I) Net profit from continuing operations (“-“ for net loss)	126,815,665.00	321,608,297.00
(II) Termination of operating net profit (“-“ for net loss)		
Net profit attributable to the owners of parent company	116,279,185.00	318,019,208.00
Minor shareholders' equity	10,536,480.00	3,589,089.00
VI. Net amount of other gains after tax	2,463,096.00	-870,658.00
Net amount of other gains after tax attributable to owners of parent company	2,463,096.00	-870,658.00
(I) Other comprehensive income that will not be reclassified into gains/losses		
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified into profit or loss	2,463,096.00	-870,658.00
1. Other comprehensive income of convertible profits and losses under the equity method		
2. Gains and losses from changes in fair		

value of available-for-sale financial assets		
3. Held-to-maturity investments are reclassified as gains and losses on available-for-sale financial assets		
4. Effective portion of cash flow hedge gains and losses		
5. Foreign currency financial statement translation difference	2,463,096.00	-870,658.00
6. Other		
Net after-tax net of other comprehensive income attributable to minority shareholders		
VII. Total of misc. incomes	129,278,761.00	320,737,639.00
Total of misc. incomes attributable to the owners of the parent company	118,742,281.00	317,148,550.00
Total misc gains attributable to the minor shareholders	10,536,480.00	3,589,089.00
VIII. Earnings per share:		
(I) Basic earnings per share	0.04	0.12
(II) Diluted earnings per share	0.04	0.12

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	14,147,677.00	15,038,839.00
Less: Operating costs	0.00	0.00
Taxes and surcharges	144,784.00	131,076.00
sales expense		
Management costs	39,974,380.00	21,688,231.00
R&D expenses	944,937.00	944,938.00
Financial expenses	23,855,339.00	20,017,263.00
Including: interest expense	45,996,709.00	22,923,308.00
Interest income	21,853,898.00	1,982,408.00
Asset impairment loss	54,340.00	78,215.00
Plus: other income	470,940.00	

Investment income (“-“ for loss)		2,011,500.00
Including: investment income from joint ventures and joint ventures		
Gains from changes in fair value (“-“ for loss)		
Asset disposal income (“-“ for loss)		
II. Operating profit (“-“ for loss)	-50,355,163.00	-25,809,384.00
Plus: non-operating income	10,556.00	402,190.00
Less: non-operating expenses	242,988.00	816,000.00
III. Gross profit (“-“ for loss)	-50,587,595.00	-26,223,194.00
Less: Income tax expenses	599,358.00	
IV. Net profit (“-“ for net loss)	-51,186,953.00	-26,223,194.00
(I) Net profit from continuing operations (“-“ for net loss)	-51,186,953.00	-26,223,194.00
(II) Termination of operating net profit (“-“ for net loss)		
V. Net amount of other gains after tax		
(I) Other comprehensive income that will not be reclassified into gains/losses		
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income of convertible profits and losses under the equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets		
3. Held-to-maturity investments are reclassified as gains and losses on available-for-sale financial assets		
4. Effective portion of cash flow hedge gains and losses		
5. Foreign currency financial statement translation difference		
6. Other		

VI. Total of misc. incomes	-51,186,953.00	-26,223,194.00
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated income statement for Jan.-Sept. 2018

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	8,151,251,436.00	7,790,271,330.00
Including: Business income	8,151,251,436.00	7,790,271,330.00
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	7,637,366,372.00	7,016,245,101.00
Including: Business cost	6,192,441,730.00	5,829,092,727.00
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Tax and surcharges	107,743,437.00	93,649,001.00
Sales expense	262,743,395.00	243,589,506.00
Administrative expense	523,550,697.00	347,183,080.00
R&D expenses	271,905,509.00	265,390,253.00
Financial expenses	273,436,136.00	234,368,889.00
Including: Interest expense	313,350,797.00	229,964,998.00
Interest income	46,575,577.00	6,527,384.00
Asset impairment loss	5,545,468.00	2,971,645.00
Plus: other income	54,760,584.00	25,096,345.00
Investment income("—" for loss)		427,638.00
Including: Investment income in associates and joint ventures		

Fair value change income("—" for loss)		
Exchange gains ("—" for loss)		
Asset disposal income ("—" for loss)	-455,305.00	243,956.00
III. Operating profit ("—" for loss)	568,190,343.00	799,794,168.00
Plus: non-operating income	8,221,388.00	63,678,488.00
Less: non-operating expenses	1,492,623.00	1,738,117.00
IV. Gross profit ("—" for loss)	574,919,108.00	861,734,539.00
Less: Income tax expenses	89,021,326.00	139,912,194.00
V. Net profit ("—" for net loss)	485,897,782.00	721,822,345.00
(I) Net profit from continuing operations ("—" for net loss)	485,897,782.00	721,822,345.00
(II) Termination of operating net profit ("—" for net loss)		
Net profit attributable to the owners of parent company	469,116,338.00	711,011,371.00
Minor shareholders' equity	16,781,444.00	10,810,974.00
VI. Net amount of other comprehensive income after tax	3,155,114.00	-1,946,922.00
Net amount of other gains after tax attributable to owners of parent company	3,155,114.00	-1,946,922.00
(I) Other comprehensive income that will not be reclassified into gains/losses		
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified into profit or loss	3,155,114.00	-1,946,922.00
1. Other comprehensive income of convertible profits and losses under the equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets		
3. Held-to-maturity investments are reclassified as gains and losses on available-for-sale financial assets		
4. Effective portion of cash flow hedge		

gains and losses		
5. Foreign currency financial statement translation difference	3,155,114.00	-1,946,922.00
6. Other		
Net after-tax net of other comprehensive income attributable to minority shareholders		
VII. Total of comprehensive income	489,052,896.00	719,875,423.00
Total of misc. incomes attributable to the owners of the parent company	472,271,452.00	709,064,449.00
Total misc gains attributable to the minor shareholders	16,781,444.00	10,810,974.00
VIII. Earnings per share:		
(I) Basic earnings per share	0.17	0.26
(II) Diluted earnings per share	0.16	0.26

6. Income statement of the Parent Company for Jan.-Sept. 2018

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	44,248,959.00	41,704,845.00
Including: Business income	0.00	0.00
Tax and surcharges	391,249.00	5,268,020.00
Sales expense		
Administrative expense	135,342,752.00	90,338,580.00
R&D expenses	2,839,736.00	2,834,813.00
Financial expenses	53,787,897.00	39,817,558.00
Including: Interest expense	94,678,140.00	45,104,805.00
Interest income	43,313,805.00	5,511,104.00
Asset impairment loss	8,222.00	85,921.00
Plus: other income	2,070,606.00	647,260.00
Investment income("-" for loss)	231,537,606.00	2,011,500.00
Including: Investment income in associates and joint ventures		
Fair value change income("-" for loss)		
Asset disposal income ("-" for loss)	2,440.00	
III. Operating profit ("-" for loss)	85,489,755.00	-93,981,287.00

Plus: non-operating income	134,006.00	1,196,570.00
Less: non-operating expenses	243,265.00	816,000.00
IV. Gross profit (“-“ for loss)	85,380,496.00	-93,600,717.00
Less: Income tax expenses	599,358.00	
V. Net profit (“-“ for net loss)	84,781,138.00	-93,600,717.00
(I) Net profit from continuing operations (“-“ for net loss)	84,781,138.00	-93,600,717.00
(II) Termination of operating net profit (“-“ for net loss)		
VI. Net amount of other comprehensive income after tax		
(I) Other comprehensive income that will not be reclassified into gains/losses		
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income of convertible profits and losses under the equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets		
3. Held-to-maturity investments are reclassified as gains and losses on available-for-sale financial assets		
4. Effective portion of cash flow hedge gains and losses		
5. Foreign currency financial statement translation difference		
6. Other		
VII. Total of comprehensive income	84,781,138.00	-93,600,717.00
VIII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7. Consolidated Cash Flow Statement for Jan.-Sept. 2018

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	8,874,070,807.00	8,716,345,821.00
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of disposal of the financial assets measured by fair value with the changes included in the current gains and losses		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	81,506,819.00	13,944,024.00
Other cash received from business operation	114,952,740.00	118,888,381.00
Sub-total of cash inflow from business activities	9,070,530,366.00	8,849,178,226.00
Cash paid for purchasing of merchandise and services	5,549,504,979.00	5,170,500,238.00
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	1,020,862,956.00	903,582,623.00
Taxes paid	605,975,057.00	560,097,169.00
Other cash paid for business activities	483,361,352.00	412,345,504.00
Sub-total of cash outflow from business activities	7,659,704,344.00	7,046,525,534.00

Net cash flow generated by business operation	1,410,826,022.00	1,802,652,692.00
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment profit		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	3,689,092.00	1,524,109.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	24,683,677.00	11,239,594.00
Sub-total of cash inflow due to investment activities	28,372,769.00	12,763,703.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	462,402,032.00	1,059,799,002.00
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	93,641,334.00	36,752,523.00
Sub-total of cash outflow due to investment activities	556,043,366.00	1,096,551,525.00
Net cash flow generated by investment	-527,670,597.00	-1,083,787,822.00
III. Cash flow generated by financing		
Cash received as investment	9,826,580.00	
Incl. Cash received as investment from minor shareholders		
Cash received as loans	3,871,266,495.00	3,013,919,750.00
Cash received from bond placing		
Other financing-related cash received	46,330,808.00	3,179,276,494.00
Subtotal of cash inflow from financing activities	3,927,423,883.00	6,193,196,244.00
Cash to repay debts	3,255,750,000.00	3,824,757,768.00
Cash paid as dividend, profit, or interests	438,702,824.00	468,236,090.00
Incl. Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	568,114,332.00	1,390,858,313.00
Subtotal of cash outflow due to financing activities	4,262,567,156.00	5,683,852,171.00
Net cash flow generated by financing	-335,143,273.00	509,344,073.00
IV. Influence of exchange rate alternation on cash and cash equivalents	2,487,631.00	-1,130,269.00

V. Net increase of cash and cash equivalents	550,499,783.00	1,227,078,674.00
Plus: Balance of cash and cash equivalents at the beginning of term	2,459,753,165.00	584,566,990.00
VI. Balance of cash and cash equivalents at the end of term	3,010,252,948.00	1,811,645,664.00

8. Cash Flow Statement of the Parent Company for Jan.-Sept. 2018

Unit: RMB

Item	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services		
Tax returned		
Other cash received from business operation	45,225,208.00	12,093,227.00
Sub-total of cash inflow from business activities	45,225,208.00	12,093,227.00
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	80,647,604.00	46,944,641.00
Taxes paid	2,520,750.00	6,646,035.00
Other cash paid for business activities	25,910,236.00	21,006,751.00
Sub-total of cash outflow from business activities	109,078,590.00	74,597,427.00
Net cash flow generated by business operation	-63,853,382.00	-62,504,200.00
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment profit		2,011,500.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	2,440.00	1,808.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		954,000.00
Sub-total of cash inflow due to investment activities	2,440.00	2,967,308.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	5,604,540.00	1,680,804.00
Cash paid as investment	46,750,000.00	
Net cash received from subsidiaries and other operational units		

Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	52,354,540.00	1,680,804.00
Net cash flow generated by investment	-52,352,100.00	1,286,504.00
III. Cash flow generated by financing		
Cash received as investment	9,826,580.00	
Cash received as loans	2,917,500,000.00	2,100,693,638.00
Cash received from bond placing		
Other financing-related cash received	124,357,949.00	2,411,868,907.00
Subtotal of cash inflow from financing activities	3,051,684,529.00	4,512,562,545.00
Cash to repay debts	2,150,000,000.00	3,396,723,365.00
Cash paid as dividend, profit, or interests	199,721,074.00	209,502,162.00
Other cash paid for financing activities		
Subtotal of cash outflow due to financing activities	2,349,721,074.00	3,606,225,527.00
Net cash flow generated by financing	701,963,455.00	906,337,018.00
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,245,875.00	681,240.00
V. Net increase of cash and cash equivalents	584,512,098.00	845,800,562.00
Plus: Balance of cash and cash equivalents at the beginning of term	1,680,672,390.00	301,637,933.00
VI. Balance of cash and cash equivalents at the end of term	2,265,184,488.00	1,147,438,495.00

II .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.
30 October 2018**