

CSG HOLDING CO., LTD.

THE THIRD QUARTER REPORT 2016



Chairman of the Board:
ZENG NAN

October 2016

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 jointly and severally, for the facticity, accuracy and completeness of the whole contents.

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

Chairman of the Board of the Company Mr. Zeng Nan, CFO Mr. Luo Youming and principal of the financial department Mr. Ding Jiuru hereby confirm the facticity, accuracy and completeness of the Financial Report in the Third Quarter Report of 2016.

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

Section II Main accounting data and Changes in Shareholders

I. Main accounting data and 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)	16,928,089,016	15,489,600,160	9.29%	
Net assets attributable to shareholders of the Company (RMB)	7,960,067,397	7,874,310,997	1.09%	
	Current period	Increase/decrease in comparison with the same period of last year	From 1 January to 30 September 2016	Increase/decrease in comparison with the same period of 2015
Operating revenues (RMB)	2,293,975,948	11.68%	6,522,141,590	21.29%
Net profit attributable to shareholders of the Company (RMB)	248,016,059	31.71%	714,899,313	81.41%
Net profit attributable to shareholders of the Company after deducting extraordinary gains and losses (RMB)	221,542,609	221.30%	645,065,992	384.21%
Net cash flows from operating activities (RMB)	--	--	1,592,198,960	133.75%
Basic earnings per share (RMB/Share)	0.12	33.33%	0.34	78.95%
Diluted earnings per share (RMB/Share)	0.12	33.33%	0.34	78.95%
Weighted average ROE (%)	3.12%	Increased 0.79% on a year-over-year basis	8.99%	Increased 4.12% on a year-over-year basis

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)	1,344,125	
Governmental subsidy reckoned into current gains/losses (not including	77,880,804	

the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)		
Other non-operating income and expenditure except for the aforementioned items	2,089,320	
Less: Impact on income tax	12,317,855	
Impact on minority shareholders' equity (post-tax)	-836,927	
Total	69,833,321	--

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

In the report period, it did not exist that 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*.

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

1. Total of common shareholders and particulars about the common shares held by the top ten shareholders

Unit: Share

Total of shareholders at the end of the report period					138,994	
Particulars about shares held by the top ten shareholders						
Name of shareholder	Nature of shareholder	Proportion of shares held (%)	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					Share status	Amount
Foresea Life Insurance Co., Ltd. – Haili Niannian	Domestic non state-owned legal person	15.45%	320,595,892	0		
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	Domestic non state-owned legal person	3.92%	81,405,744	0		
China North Industries Corporation	State-owned legal person	2.92%	60,600,000	0		
Shenzhen Jushenghua Co., Ltd.	Domestic non state-owned legal	2.87%	59,552,120	0	pledged	59,552,100

	person					
Foresea Life Insurance Co., Ltd. – Own Fund	Domestic non state-owned legal person	2.15%	44,519,788	0		
China Merchants Securities (HK) Co., Limited	State-owned legal person	2.07%	42,950,847	0		
Central Huijin Asset Management Ltd.	State-owned legal person	1.92%	39,811,300	0		
Shenzhen International Holdings (SZ) Limited	Domestic non state-owned legal person	1.52%	31,479,805	0		
JT Asset Management – SPD BANK – JT Asset Management – Hengsheng New Power Grading No. 1 Asset Management Plan	Domestic non state-owned legal person	1.51%	31,334,707	0		
China Galaxy International Securities (Hong Kong) Co., Limited	Foreign legal person	1.38%	28,692,212	0		
Particular about top ten shareholders with un-restrict shares held						
Shareholders' name	Amount of un-restrict shares held at Period-end	Type of shares				
		Type	Amount			
Foresea Life Insurance Co., Ltd. – Haili Niannian	320,595,892	RMB ordinary shares	320,595,892			
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	81,405,744	RMB ordinary shares	81,405,744			
China North Industries Corporation	60,600,000	RMB ordinary shares	60,600,000			
Shenzhen Jushenghua Co., Ltd.	59,552,120	RMB ordinary shares	59,552,120			
Foresea Life Insurance Co., Ltd. – Own Fund	44,519,788	RMB ordinary shares	44,519,788			
China Merchants Securities (HK) Co., Limited	42,950,847	Domestically listed foreign shares	42,950,847			
Central Huijin Asset Management Ltd.	39,811,300	RMB ordinary shares	39,811,300			
Shenzhen International Holdings (SZ) Limited	31,479,805	RMB ordinary shares	31,479,805			
JT Asset Management – SPD BANK – JT Asset Management – Hengsheng New Power Grading No. 1 Asset Management Plan	31,334,707	RMB ordinary shares	31,334,707			
China Galaxy International Securities (Hong Kong) Co., Limited	28,692,212	Domestically listed foreign shares	28,692,212			
Statement on associated relationship or consistent action among the above shareholders:	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.					

	<p>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 27,625,299 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)	Nil

Buy back deals carried out by top ten common shareholders, top ten shareholders un-restrict shares held in the report period

Yes No

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 2016	31 December 2015	Increased/Decreased amount	Rate
Monetary capital	(1)	306,994,416	578,834,520	-271,840,104	-47%
Notes receivable	(2)	258,221,349	453,546,538	-195,325,189	-43%
Accounts receivable	(3)	716,334,885	452,961,612	263,373,273	58%
Other receivables	(4)	55,790,957	116,224,370	-60,433,413	-52%
Inventories	(5)	493,296,607	350,425,732	142,870,875	41%
Other current assets	(6)	178,033,091	118,359,117	59,673,974	50%
Long-term receivables	(7)	-	50,104,299	-50,104,299	-100%
long-term equity investment	(8)	-	668,210,253	-668,210,253	-100%
Development expenditure	(9)	57,006,002	26,280,426	30,725,576	117%
Goodwill	(10)	722,389,281	3,039,946	719,349,335	23663%
Long-term prepaid expenses	(11)	1,066,021	1,597,865	-531,844	-33%
Notes payable	(12)	24,114,869	8,000,000	16,114,869	201%
Accounts payable	(13)	1,204,702,318	915,266,051	289,436,267	32%
Other payables	(14)	214,652,481	143,021,055	71,631,426	50%
Non-current liabilities due within one year	(15)	73,280,000	239,000,000	-165,720,000	-69%
Differed income tax liability	(16)	19,486,114	9,531,572	9,954,542	104%
Special reserves	(17)	8,989,141	15,437,498	-6,448,357	-42%
Minor shareholders' equity	(18)	278,327,311	3,080,480	275,246,831	8935%
Item of income statement	Note	From January to September 2016	From January to September 2015	Increased/Decreased amount	Rate
Business tax and surcharges	(19)	-39,641,644	-25,176,730	-14,464,914	57%
Asset impairment loss	(20)	-2,012,347	-7,953,154	5,940,807	-75%
Investment gains	(21)	-14,264,359	141,088,467	-155,352,826	-110%
Non-operating expenses	(22)	-778,905	-264,924	-513,981	194%

Income tax expenses	(23)	-122,021,126	-30,518,083	-91,503,043	300%
Net profit	(24)	718,660,205	408,952,566	309,707,639	76%
Other comprehensive income	(25)	705,555	80,593,025	-79,887,470	-99%

Note:

- (1) The decrease of monetary capital was mainly due to the strengthening of control of monetary fund.
- (2) The decrease of notes receivable was mainly due to the increase in note liquidity.
- (3) The increase of accounts receivable was mainly due to the increase in accounts receivable of architectural glass industry.
- (4) The decrease of other receivables was mainly due to the change in the scope of consolidation caused by the transfer of equity of Yichang CSG Photoelectric Glass in the previous year, and the original internal current account was transferred to other receivables, which was recovered this year.
- (5) The increase of inventories was mainly due to the change in the scope of consolidation and the increase in inventories of solar energy industry.
- (6) The increase of other current assets was mainly due to the fact that Shenzhen Display was included in the scope of consolidation in the report period.
- (7) The decrease of long-term receivables was mainly due to the change in the scope of consolidation in the report period.
- (8) The decrease of long-term equity investment was mainly due to the fact that Shenzhen Display was included in the scope of consolidation during the report period, and the accounting method was changed from equity method to cost method.
- (9) The increase of development expenditure was mainly due to the strengthening of research and development.
- (10) The increase of goodwill was mainly due to the fact that Shenzhen Display which was originally accounted by equity method was included in the scope of consolidation during the report period, and goodwill was generated in consolidated statements after the acquisition.
- (11) The decrease of long-term prepaid expenses was mainly due to the amortization in this period.
- (12) The increase of notes payable was mainly due to the slight increase in new bills and lower initial balance.
- (13) The increase of accounts payable was mainly due to the change in the scope of consolidation in the report period.
- (14) The increase of other payables was mainly due to the change in the scope of consolidation in the report period.
- (15) The decrease of non-current liabilities due within one year was mainly due to the repayment of part of the borrowings in this period.
- (16) The increase of differed income tax liability was mainly due to loss of trial production in some subsidiaries.
- (17) The decrease of special reserves was mainly due to the increasing investment in production safety.
- (18) The increase of minor shareholders' equity was mainly due to the fact that Shenzhen Display was included in the scope of consolidation during the report period, and the accounting method was changed from equity method to cost method.
- (19) The increase of business tax and surcharges was mainly due to the increase of operating income for the year.
- (20) The decrease of asset impairment loss was mainly due to the fact that the scope of consolidation was changed by the transfer of equity of Yichang CSG Photoelectric Glass in the previous year, and the original internal current was transferred to other receivables, which wrote off bad debt reserves this year.
- (21) The decrease of investment income was mainly due to the disposal of available-for-sale financial assets and disposal of subsidiaries in the previous year, which did not occur this year.
- (22) The increase of non-operating expenses was mainly due to a slight increase in compensation expenses this year.
- (23) The increase of income tax expenses was mainly due to the increase of profit in the report period.
- (24) The increase of net profit was mainly due to the substantial rise in the profit of solar PV industry and flat glass industry in the report period.
- (25) The decrease of other comprehensive income was mainly due to the disposal of available-for-sale financial assets in the previous year.

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

Applicable Not applicable

1. Short-term Financing Bills

On 23 April 2013, annual general meeting of 2012 of CSG Holding Co., Ltd deliberated and approved the proposal of short-term financing bills offering, agreed the application of issuing short-term financing bills with a total amount of no more than 40 percent of the Company's net assets (the issued short-term financing bills included). On 20 December 2013, National Association of Financial market Institutional Investors held its 74th registration meeting of 2013, in which NAFMII decided to accept the Company's short-term financing bills registration, amounting to RMB 1.1 billion, valid for two years. China CITIC Bank Corporation Limited and Agricultural Bank of China Co., Ltd were joint lead underwriters of these short-term financing bills, which could be issued by stages within the validity period of registration. On 14 March 2014, the Company issued short-term financing bills with a total amount of RMB 0.5 billion and valid term of one year at annual interest rate of 5.65%, which was redeemed on 14 March 2015. On 22 April 2015, the Company issued the 1st batch of short-term financing bills for the year of 2015 with a total amount of RMB 0.6 billion and annual interest rate of 4.28%, which was redeemed on 23 April 2016. On 16-17 September 2015, the Company issued the 2nd batch of short-term financing bills for the year of 2015 with a total amount of RMB 0.4 billion and annual interest rate of 3.50%, which was redeemed on 14 September 2016.

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

2. Ultra-short-term Financing Bills

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 ultra-short-term financing bills with registered capital of RMB 4 billion at most and validity within 2 years. 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 ultra-short-term financing bills, amounting to RMB 4 billion and valid for two years. China Merchants Bank Co., Ltd., Shanghai Pudong Development Bank Co., Ltd., Industrial Bank Co., Ltd., China CITIC Bank Co., Ltd. and China Agriculture Bank Co., Ltd. were joint lead underwriters of these ultra-short-term financing bills, which could be issued by stages within period of validity of the registration. On 12 June 2015, the Company issued the first batch of ultra-short-term financing bills for the year of 2015 with total amount of RMB 0.8 billion and valid term of 270 days at the issuance rate of 4.25%, which was redeemed on 11 March 2016. On 13 October 2015, the Company issued the second batch of ultra-short-term financing bills for the year of 2015 with total amount of RMB 1.1 billion and valid term of 270 days at the issuance rate of 3.81%, which was redeemed on 11 July 2016. On 10 March 2016, the Company issued the first batch of ultra-short-term financing bills for the year of 2016 with total amount of RMB 0.8 billion and valid term of 270 days at the issuance rate of 3.15%, which will be redeemed on 6 December 2016. On 17 May 2016, the Company issued the second batch of ultra-short-term financing bills for the year of 2016 with total amount of RMB 0.9 billion and valid term of 270 days at the issuance rate of 4.18%, which will be redeemed on 10 February 2017. On 2 August 2016, the Company issued the third batch of ultra-short-term financing bills for the year of 2016 with total amount of RMB 0.6 billion and valid term of 270 days at the issuance rate of 3.67%, which will be redeemed on 1 May 2017. On 1 September 2016, the Company issued the fourth batch of ultra-short-term financing bills for the year of 2016 with total amount of RMB 0.5 billion and valid term of 270 days at the issuance rate of 3.5%, which will be redeemed on 2 June 2017.

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

III. Commitments from the Company or shareholder with over 5% shareholding in the report period or continues to the report period

√ Applicable □ Not applicable

Commitments	Promisee	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform	The original non-tradable shareholder Shenzhen International Holdings (SZ) Limited and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	Commitment of share reduction	The Company has implemented share merger reform in May 2006. Till June 2008, the share of the original non-tradable shareholders which holding over 5% total shares of the Company had all released. Therein, the original non-tradable shareholder Shenzhen International Holdings (SZ) Limited and Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd. both are wholly-funded subsidiaries to Shenzhen International Holdings Limited (hereinafter Shenzhen International for short) listed in Hong Kong united stock exchange main board. Shenzhen International made commitment that it would strictly carry out related regulations of Securities Law, Administration of the Takeover of Listed Companies Procedures and Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions issued by CSRC during implementing share decreasingly-held plan and take information disclosure responsibility timely.	2006-5-22	N/A	By the end of the report period, the above shareholders of the Company had strictly fulfilled their commitments.
Commitments in report of acquisition or equity change	Foresea Life Insurance Co., Ltd., Shenzhen Jushenghua Co., Ltd. and Chengtai Group Co., Ltd.	Commitment of horizontal competition, affiliate Transaction and capital occupation	Foresea Life Insurance Co., Ltd., Shenzhen Jushenghua Co., Ltd. and Chengtai Group Co., Ltd. issued detailed report of equity change on 29 June 2015, in which, they undertook to keep independent from CSG in aspects of personnel, assets, finance, organization set-up and business as long as Foresea Life Insurance remained the largest shareholder of CSG. Meanwhile,	2015-6-29	During the period when Foresea Life remains the largest shareholder of the Company	By the end of the report period, the above shareholders of the Company had strictly fulfilled their commitments.

			they made commitment on regularizing related transaction and avoiding industry competition.			
Commitments in assets reorganization						
Commitments in initial public offering or re-financing	Foresea Life Insurance Co., Ltd., China North Industries Corporation	Commitment of share reduciton	The Company's shareholders, Foresea Life Insurance Co., Ltd. and China North Industries Corporation, made commitments that they would not reduce CSG's shares within six months after the completion of non-public offering of CSG from Nov. 25, 2015.	2015-11-25	From Nov. 25, 2015 to Jul. 2, 2016	The non-public offering plan expired on July 2, 2016. Prior to this, the above shareholders of the Company had strictly fulfilled their commitments.
Equity incentive commitment						
Other commitments for medium and small shareholders	Foresea Life Insurance Co., Ltd., China North Industries Corporation	Commitment of share reduciton	The Company's shareholders, Foresea Life Insurance Co., Ltd. and China North Industries Corporation, made commitments that they would not reduce CSG's shares within six months from July 15, 2015.	2015-07-15	From Jul. 15, 2015 to Jan. 15, 2016	By the end of the report period, the above commitments had been fulfilled.
Completed on time(Y/N)	Yes					
If the commitments is not fulfilled on time, explain the reasons and the next work plan	Not applicable					

IV. Prediction of business performance of 2016

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. Derivatives investment

Applicable Not applicable

The Company had no derivatives investment in the report period.

VII. Reception of research, communication and interview in the report period

Applicable Not applicable

Time	Way	Type	Basic information index of investigation
23 February 2016	Field research	Institute	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 24 February 2016.
30 March 2016	Field research	Institute	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 30 March 2016.
25 April 2016	Field research	Institute	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 26 April 2016.
24 May 2016	Field research	Institute	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 25 May 2016.
22 August 2016	Field research	Institute	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 23 August 2016.

VIII. Particulars about illegal external guarantee

Applicable Not applicable

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

IX. 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 and its affiliated enterprises.

Section IV. Financial Report

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Items	Ending balance	Beginning balance
Current asset:		
Monetary capital	306,994,416	578,834,520
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	258,221,349	453,546,538
Account receivable	716,334,885	452,961,612
Prepayment	111,301,660	109,841,295
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other receivables	55,790,957	116,224,370
Repurchasing of financial assets		
Inventories	493,296,607	350,425,732
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	178,033,091	118,359,117
Total of current asset	2,119,972,965	2,180,193,184
Non-current assets		
Loans and payment on other's behalf disbursed		
Available-for-sale financial asset		
Expired investment in possess		

Long-term receivables		50,104,299
Long-term equity investment		668,210,253
Investment real estates		
Fixed assets	11,296,668,062	10,199,674,929
Construction in process	1,493,597,631	1,339,340,780
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,086,431,938	846,238,811
Development expenditure	57,006,002	26,280,426
Goodwill	722,389,281	3,039,946
Long-term prepaid expenses	1,066,021	1,597,865
Differed income tax asset	98,224,310	110,336,216
Other non-current asset	52,732,806	64,583,451
Total of non-current assets	14,808,116,051	13,309,406,976
Total of assets	16,928,089,016	15,489,600,160
Current liabilities		
Short-term loans	3,932,218,103	3,216,326,670
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into		
Derivative financial liabilities		
Notes payable	24,114,869	8,000,000
Accounts payable	1,204,702,318	915,266,051
Prepayment received	151,200,421	117,434,636
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	159,978,837	170,539,613
Tax payable	105,418,800	119,826,177
Interest payable	101,939,797	89,363,806
Dividend payable		

Other payables	214,652,481	143,021,055
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liabilities due within one year	73,280,000	239,000,000
Other current liability	300,000	300,000
Total of current liability	5,967,805,626	5,019,078,008
Non-current liabilities		
Long-term borrowings	1,278,220,000	1,200,000,000
Bond payable	1,000,000,000	1,000,000,000
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees' remuneration		
Special payable		
Anticipated liabilities		
Differed income	424,182,568	383,599,103
Differed income tax liability	19,486,114	9,531,572
Other non-recurring liabilities		
Total of non-current liabilities	2,721,888,682	2,593,130,675
Total of liability	8,689,694,308	7,612,208,683
Owners' equity		
Share capital	2,075,335,560	2,075,335,560
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,260,591,829	1,261,391,272
Less: Shares in stock		
Other comprehensive income	3,673,327	2,967,772
Special reserves	8,989,141	15,437,498
Surplus reserves	881,972,330	881,972,330
Common risk provision		

Undistributed profit	3,729,505,210	3,637,206,565
Total of owner's equity belong to the parent company	7,960,067,397	7,874,310,997
Minor shareholders' equity	278,327,311	3,080,480
Total of owners' equity	8,238,394,708	7,877,391,477
Total of liability and owners' equity	16,928,089,016	15,489,600,160

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Ding Jiuru

2. Balance Sheet of the Parent Company

Unit: RMB

Items	Ending balance	Beginning balance
Current asset:		
Monetary capital	163,686,031	395,798,393
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable		
Prepayment		492,191
Interest receivable		
Dividend receivable		
Other receivables	3,756,428,989	4,283,715,036
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current asset	3,920,115,020	4,680,005,620
Non-current assets		
Available-for-sale financial asset		
Expired investment in possess		
Long-term receivables	2,016,705,100	2,139,873,923
Long-term equity investment	5,009,273,316	4,337,777,738
Investment real estates		
Fixed assets	27,456,629	30,806,106
Construction in process		

Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,506,349	1,762,037
Development expenditure		
Goodwill		
Long-term prepaid expenses	223,560	894,241
Differed income tax asset		
Other non-current asset		
Total of non-current assets	7,055,164,954	6,511,114,045
Total of assets	10,975,279,974	11,191,119,665
Current liabilities		
Short-term loans	3,346,000,000	2,900,000,000
Financial liabilities measured at fair value with variations accounted into		
Derivative financial liabilities		
Notes payable		
Accounts payable	338,774	
Prepayment received		
Employees' wage payable	34,689,200	38,240,000
Tax payable	3,424,973	39,469,245
Interest payable	12,158,723	79,906,647
Dividend payable		
Other account payable	292,892,728	295,421,165
Liabilities held for sales		
Non-current liabilities due within one year		239,000,000
Other current liability		
Total of current liability	3,689,504,398	3,592,037,057
Non-current liabilities		
Long-term borrowings	1,200,000,000	1,200,000,000
Bond payable	1,000,000,000	1,000,000,000
Including: preferred stock		
Sustainable debt		

Long-term payable		
Long-term payable employees' remuneration		
Special payable		
Anticipated liabilities		
Differed income	12,412,230	10,543,800
Differed income tax liability		
Other non-recurring liabilities		
Total of non-current liabilities	2,212,412,230	2,210,543,800
Total of liability	5,901,916,628	5,802,580,857
Owners' equity		
Share capital	2,075,335,560	2,075,335,560
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,405,347,985	1,404,803,407
Less: Shares in stock		
Other comprehensive income		
Special reserves		
Surplus reserves	896,517,690	896,517,690
Undistributed profit	696,162,111	1,011,882,151
Total of owners' equity	5,073,363,346	5,388,538,808
Total of liability and owners' equity	10,975,279,974	11,191,119,665

3. Consolidated Income Statement

Unit: RMB

Items	Balance of this period	Balance of last period
I. Total revenue	2,293,975,948	2,054,090,445
Incl. Business income	2,293,975,948	2,054,090,445
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,028,376,616	1,963,587,709
Incl. Business cost	1,653,218,094	1,629,310,349
Interest expense		

Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharges	16,256,972	13,028,496
Sales expense	75,980,642	73,314,350
Administrative expense	205,673,948	166,634,462
Financial expenses	74,309,241	78,106,207
Asset impairment loss	2,937,719	3,193,845
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)		98,634,017
Incl. Investment gains from affiliates		
Exchange gains (“-“ for loss)		
III. Operating profit (“-“ for loss)	265,599,332	189,136,753
Plus: non-operating income	32,054,790	23,450,221
Incl. Income from disposal of non-current assets	1,168,444	90,471
Less: non-operating expenses	117,277	239,392
Incl. Loss from disposal of non-current assets	52,978	26,894
IV. Gross profit (“-“ for loss)	297,536,845	212,347,582
Less: Income tax expenses	44,177,962	23,991,436
V. Net profit (“-“ for net loss)	253,358,883	188,356,146
Net profit attributable to the owners of parent company	248,016,059	188,302,026
Minor shareholders' equity	5,342,824	54,120
VI. Net amount of other gains after tax	197,502	542,045
Net amount of other gains after tax attributable to owners of parent company	197,502	542,045
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		

(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period	197,502	542,045
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements	197,502	542,045
6. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total of misc. incomes	253,556,385	188,898,191
Total of misc. incomes attributable to the owners of the parent company	248,213,561	188,844,071
Total misc gains attributable to the minor shareholders	5,342,824	54,120
VIII. Earnings per share:		
(I) Basic earnings per share	0.12	0.09
(II) Diluted earnings per share	0.12	0.09

Legal Representative: Zeng Nan

CFO: Luo Youming

Manager of the financial department: Ding Jiuru

4. Income Statement of the Parent Company

Unit: RMB

Items	Balance of this period	Balance of last period
I. Revenue	8,473,838	0
Less: business cost	0	0
Business tax and surcharges		2,935,353
Sales expense		
Administrative expense	33,376,309	9,184,376
Financial expenses	4,164,111	16,576,949
Asset impairment loss	1,429	1,768,438
Plus: gains from change of fair value ("-" for loss)		

Investment gains (“-“ for loss)	5,806,369	60,365,971
Incl. Investment gains from affiliates		
II. Operating profit (“-“ for loss)	-23,261,642	29,900,855
Plus: non-operating income	433,427	251,142
Incl. Income from disposal of non-current assets	720	
Less: non-operating expenses		
Incl. Loss from disposal of non-current assets		
III. Gross profit (“-“ for loss)	-22,828,215	30,151,997
Less: Income tax expenses		
IV. Net profit (“-“ for net loss)	-22,828,215	30,151,997
V. Net amount of other gains after tax		
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period		
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements		
6. Other		
VI. Total of comprehensive income	-22,828,215	30,151,997
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated income statement for Jan.-Sept. 2016

Unit: RMB

Items	Balance of this period	Balance of last period
I. Total revenue	6,522,141,590	5,377,129,947
Incl. Business income	6,522,141,590	5,377,129,947
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	5,748,510,149	5,178,089,033
Incl. Business cost	4,730,036,597	4,275,331,059
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharges	39,641,644	25,176,730
Sales expense	204,545,473	209,776,868
Administrative expense	564,611,454	449,002,551
Financial expenses	207,662,634	210,848,671
Asset impairment loss	2,012,347	7,953,154
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	-14,264,359	141,088,467
Incl. Investment gains from affiliates		
Exchange gains (“-“ for loss)		
III. Operating profit (“-“ for loss)	759,367,082	340,129,381
Plus: non-operating income	82,093,154	99,606,192
Incl. Income from disposal of non-current assets	1,417,086	2,765,909
Less: non-operating expenses	778,905	264,924
Incl. Loss from disposal of non-current assets	72,962	45,649
IV. Gross profit (“-“ for loss)	840,681,331	439,470,649
Less: Income tax expenses	122,021,126	30,518,083
V. Net profit (“-“ for net loss)	718,660,205	408,952,566

Net profit attributable to the owners of parent company	714,899,313	394,069,370
Minor shareholders' equity	3,760,892	14,883,196
VI. Net amount of other comprehensive income after tax	705,555	80,593,025
Net amount of other gains after tax attributable to owners of parent company	705,555	80,763,572
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period	705,555	80,763,572
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		80,536,743
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements	705,555	226,829
6. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		-170,547
VII. Total of comprehensive income	719,365,760	489,545,591
Total of misc. incomes attributable to the owners of the parent company	715,604,868	474,832,942
Total misc gains attributable to the minor shareholders	3,760,892	14,712,649
VIII. Earnings per share:		
(I) Basic earnings per share	0.34	0.19
(II) Diluted earnings per share	0.34	0.19

6. Income statement of the Parent Company for Jan.-Sept. 2016

Unit: RMB

Items	Balance of this period	Balance of last period
I. Revenue	9,551,232	0
Less: business cost	60,334	0
Business tax and surcharges		2,935,353
Sales expense		
Administrative expense	95,283,586	27,148,538
Financial expenses	15,427,933	87,940,430
Asset impairment loss	-1,768,813	1,775,482
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	405,086,976	596,485,329
Incl. Investment gains from affiliates		
II. Operating profit (“-“ for loss)	305,635,168	476,685,526
Plus: non-operating income	1,199,607	22,485,156
Incl. Income from disposal of non-current assets	2,520	450
Less: non-operating expenses		
Incl. Loss from disposal of non-current assets		
III. Gross profit (“-“ for loss)	306,834,775	499,170,682
Less: Income tax expenses	-45,852	-20,048,352
IV. Net profit (“-“ for net loss)	306,880,627	519,219,034
V. Net amount of other comprehensive income after tax		79,790,488
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period		79,790,488
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		79,790,488
3. Held-to-maturity investments reclassified to gains and		

losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total of comprehensive income	306,880,627	599,009,522
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7. Consolidated Cash Flow Statement for Jan.-Sept. 2016

Unit: RMB

Items	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	7,467,528,727	5,851,005,595
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	40,275,710	38,071,725
Other cash received from business operation	68,764,580	54,800,446
Sub-total of cash inflow from business activities	7,576,569,017	5,943,877,766
Cash paid for purchasing of merchandise and services	4,361,925,084	3,871,963,653
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	798,870,174	655,327,681
Taxes paid	480,049,004	386,087,119
Other cash paid for business activities	343,525,795	349,353,425
Sub-total of cash outflow from business activities	5,984,370,057	5,262,731,878
Net cash flow generated by business operation	1,592,198,960	681,145,888
II. Cash flow generated by investing		
Cash received from investment retrieving		153,447,723
Cash received as investment profit		75,837,593
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	2,390,680	2,765,132
Net cash received from disposal of subsidiaries or other operational units	150,000,000	240,531,849
Other investment-related cash received	40,170,833	13,714,126
Sub-total of cash inflow due to investment activities	192,561,513	486,296,423
Cash paid for construction of fixed assets, intangible assets and other long-term assets	804,655,768	833,899,175
Cash paid as investment	4,250,000	296,706,050
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	507,974,099	
Other cash paid for investment activities	24,021,775	8,020,998
Sub-total of cash outflow due to investment activities	1,340,901,642	1,138,626,223
Net cash flow generated by investment	-1,148,340,129	-652,329,800
III. Cash flow generated by financing		
Cash received as investment	14,500,000	
Incl. Cash received as investment from minor shareholders	14,500,000	
Cash received as loans	7,959,211,141	5,770,024,625
Cash received from bond placing		
Other financing-related cash received	118,403,662	527,258
Subtotal of cash inflow from financing activities	8,092,114,803	5,770,551,883

Cash to repay debts	7,874,819,707	4,469,686,738
Cash paid as dividend, profit, or interests	816,685,415	1,227,084,591
Incl. Dividend and profit paid by subsidiaries to minor shareholders		41,417,700
Other cash paid for financing activities	120,833,724	84,144,165
Subtotal of cash outflow due to financing activities	8,812,338,846	5,780,915,494
Net cash flow generated by financing	-720,224,043	-10,363,611
IV. Influence of exchange rate alternation on cash and cash equivalents	2,793,736	-641,180
V. Net increase of cash and cash equivalents	-273,571,476	17,811,297
Plus: Balance of cash and cash equivalents at the beginning of term	574,744,877	156,838,261
VI. Balance of cash and cash equivalents at the end of term	301,173,401	174,649,558

8. Cash Flow Statement of the Parent Company for Jan.-Sept. 2016

Unit: RMB

Items	Balance of this period	Balance of last period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services		
Tax returned		
Other cash received from business operation	3,384,187	2,421,705
Sub-total of cash inflow from business activities	3,384,187	2,421,705
Cash paid for purchasing of merchandise and services		251,167
Cash paid to staffs or paid for staffs	85,566,148	55,165,169
Taxes paid	39,724,582	3,267,191
Other cash paid for business activities	8,827,849	9,174,545
Sub-total of cash outflow from business activities	134,118,579	67,858,072
Net cash flow generated by business operation	-130,734,392	-65,436,367
II. Cash flow generated by investing		
Cash received from investment retrieving		145,377,279
Cash received as investment profit	395,236,932	571,220,176
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	2,520	450

Net cash received from disposal of subsidiaries or other operational units		258,801,535
Other investment-related cash received	3,000,000	
Sub-total of cash inflow due to investment activities	398,239,452	975,399,440
Cash paid for construction of fixed assets, intangible assets and other long-term assets	280,145	1,062,202
Cash paid as investment	196,755,000	45,791,650
Net cash received from subsidiaries and other operational units	464,345,956	
Other cash paid for investment activities		4,229,882
Sub-total of cash outflow due to investment activities	661,381,101	51,083,734
Net cash flow generated by investment	-263,141,649	924,315,706
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	7,375,164,309	5,255,447,602
Cash received from bond placing		
Other financing-related cash received	663,060,790	
Subtotal of cash inflow from financing activities	8,038,225,099	5,255,447,602
Cash to repay debts	7,168,164,309	3,896,297,602
Cash paid as dividend, profit, or interests	705,743,777	1,146,102,939
Other cash paid for financing activities		1,075,248,268
Subtotal of cash outflow due to financing activities	7,873,908,086	6,117,648,809
Net cash flow generated by financing	164,317,013	-862,201,207
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,565,241	-5,576,023
V. Net increase of cash and cash equivalents	-232,124,269	-8,897,891
Plus: Balance of cash and cash equivalents at the beginning of term	394,606,753	67,898,286
VI. Balance of cash and cash equivalents at the end of term	162,482,484	59,000,395

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.
28 October 2016**