

CSG HOLDING CO., LTD.

THE THIRD QUARTER REPORT 2009



Chairman of the Board:

ZENG NAN

October 2009

I Important Notes

- i** The Board of Directors and the Supervisory Committee of CSG Holding Co., Ltd. (hereinafter referred to as the Company), along with its directors, supervisors and senior executives hereby confirms that there are no important omissions, fictitious statements or serious misleading information carried in this report, and shall take all responsibilities, jointly and severally, for the truthfulness, accuracy and completeness of the whole contents.
- ii** No director, supervisor or senior executive stated any objection for the correctness, accuracy and completeness of the contents of this report.

iii The list of absence director.

Name of absence director	Reason of absence	Name of assignee
Guo Yongchun	On business trip	Yan Ganggang

- iv** The third quarter financial report of 2009 has not been audited.
- v** Mr. Zeng Nan, Chairman of the Board & CEO of the Company, CFO Mr. Luo Youming and principle of the financial department Mr. Huang Yanbin confirm that the Financial Report enclosed in this report is true and complete.
- vi** This report is prepared both in Chinese and in English. Should there be any difference in interpretation of the text between the two versions, the Chinese version shall prevail.

II Company Profile

i Main Accounting Data and Financial Indexes

Unit: RMB

	30 September 2009	31 December 2008	Increase/decrease (%)	
Total assets	10,792,232,390	10,376,061,066	4.01%	
Total equity attributable to equity holders of the Company	5,051,277,783	4,544,606,539	11.15%	
Capital (share)	1,223,738,124	1,237,103,124	-1.08%	
Total equity per share for equity holders of the Company	4.13	3.67	12.53%	
	The 3 rd quarter in 2009	Increase/Decrease in comparison with the same period of 2008	From 1 January to 30 September 2009	Increase/Decrease in comparison with the same period of 2008
Revenue	1,481,782,225	29.71%	3,547,329,604	8.34%
Net profit attributable to equity holders of the Company	316,442,327	133.92%	577,602,312	5.96%
Net cash flows from operating activities	-	-	1,053,901,801	54.78%
Net cash flows from operating activities per share	-	-	0.86	56.36%
Basic earnings per share	0.26	136.36%	0.47	4.44%
Diluted earnings per share	0.26	136.36%	0.47	4.44%
Return on equity (%)	6.26%	Increase 3.42 percentage points	11.43%	Decrease 0.02 percentage points
Return on equity after extraordinary gains and losses	5.81%	Increase 3.19 percentage points	10.67%	Increase 0.41 percentage points

Items of extraordinary gains and losses	Amount From 1 January to 30 September 2009
Gain on disposal of non-current assets (lost)	1,669,545
Gains on disposal of available-for-sale financial assets	19,054,303
Other item of extraordinary gains and losses	29,199,936
Tax effects	-6,633,406
Extraordinary gains and losses of minority interests	-4,730,572
Total	38,559,806

ii Total number of shareholders and statement of shares held by the top ten shareholders with unrestricted conditions at the end of the report period.

Unit: Share

Total shareholders:	104,358 (Including: 68,125 shareholders of A-share and 36,233 shareholders of B-share)	
Particulars about the shares held by the top ten unrestricted shareholders		
Name of shareholder	Unrestricted shares held	Share type
Xing Tong Chan Industrial Development (Shenzhen) Co., Ltd.	55,051,181	A-share
Shenzhen International Holdings (Shenzhen) Co., Ltd. ^{Note}	50,594,700	A-share
China Northern Industries Corporation	46,761,480	A-share
China Construction Bank—Yinhua Core Value Selected Stock Fund	22,006,797	A-share
Dreyfus Premier Investment FDS Inc.-Dreyfus Greater China FD	14,620,891	B-share
Caceis BK Lux S/A Carlson Fund Mgt Co	13,000,000	B-share
China Life Insurance Company Limited-Bonus-Individual Bonus-005L-FH002 Shen	12,759,903	A-share
Zhongrong International Trust Co., Ltd. - Zhongrong CCB Fortune No. 4 - 001	11,000,000	A-share
Guotai Junan Securities (Hong Kong) Limited	9,370,664	B-share
China AMC Growth Stock Fund	9,241,713	A-share

Note: Yiwun Industrial Development (Shenzhen) Co., Ltd. Changed its name to Shenzhen International Holdings (Shenzhen) Co., Ltd.

III Significant events

i Particulars about material changes and reasons in items of main accounting statement and financial index.

Applicable Non-applicable

Unit: RMB'0000					
Item	Note	30 September 2009	31 December 2008	Amount of change	Increase/ decrease (%)
Cash in bank and on hand	(a)	40,327	103,378	-63,051	-61%
Notes receivable	(b)	18,039	11,604	6,435	55%
Accounts receivable	(c)	40,986	23,658	17,328	73%
Advances to suppliers	(d)	10,469	5,294	5,175	98%
Other receivables	(e)	1,645	3,496	-1,851	-53%
Available-for-sale financial assets	(f)	710	1,293	-583	-45%
Fixed assets	(g)	824,674	554,340	270,334	49%
Construction in progress	(g)	62,038	262,009	-199,971	-76%
Goodwill	(h)	3,438	304	3,134	1031%
Notes payable	(b)	40,915	28,967	11,948	41%
Accounts payable	(i)	100,162	74,343	25,819	35%
Advances from customers	(j)	13,547	9,496	4,051	43%
Employee benefits payable	(k)	6,521	4,001	2,520	63%
Interest payable	(l)	552	2,096	-1,544	-74%
Other payables	(m)	12,674	22,884	-10,210	-45%
Current portion of non-current liabilities	(n)	2,311	8,397	-6,086	-72%
Other current liabilities	(o)	519	1,091	-572	-52%
		From 1 January to 30 September 2009	From 1 January to 30 September 2008	Amount of change	Increase/ decrease (%)
Financial expenses	(p)	7,514	3,490	4,024	115%
Asset impairment losses	(q)	165	-839	1,004	-
Investment income	(r)	1,905	4,356	-2,451	-56%
Non-operating expenses	(s)	221	740	-519	-70%
Income tax expenses	(t)	6,536	4,794	1,742	36%
Other consolidated income	(u)	-265	-2,852	2,587	-

Note:

- (a) Main reason for decrease of cash in bank and on hand was the guarantee money of RMB 615 million at the year-begin was expired in the report period, and the raised special fund of RMB 120 million was put into project, which caused the bank deposit decrease.
- (b) Main reason for increase of notes receivable and notes payable was increase of the amount settled by notes.
- (c) Main reason for increase of accounts receivable was that the extension of credit period for some clients.
- (d) Main reason for increase of advances to suppliers was increase of project prepayment, equipment prepayment and material prepayment for the project construction.
- (e) Main reason for decrease of other receivables was the advance payment for equity transfer of Heyuan CSG Mining Co., Ltd. was transferred into long-term equity investment.
- (f) Main reason for decrease of available-for-sale financial assets was that part of stocks were sold in the report period.
- (g) Main reason for decrease of fixed assets and construction in progress was that some projects have been put into business operation officially in the period, and the construction in process was transferred to fixed assets.
- (h) Main reason for increase of goodwill was Dongguan CSG Solar Glass Co., Ltd., subsidiary of the Company, obtained

75% equities of Heyuan CSG Mining Co., Ltd. through equity transfer, and incorporated into consolidation scope. According to regulations of Accounting Standards, the balance between the merging cost's and the fair value of definable net assets is validated as goodwill.
(i) Main reason for increase of accounts payable was accounts payable for purchasing materials and capital expenditures increased in the report period.
(j) Main reason for increase of advances from customers was advance received in goods increased in the report period.
(k) Main reason for increase of employee benefits payable was provision of performance incentive funds in 2009 for executives in the report period.
(l) Main reason for decrease of interest payable was redemption of interests of the short-term financing bonds matured on 11 September 2009.
(m) Main reason for decrease of other payables was that payment for restricted share repurchase had been confirmed in the report period.
(n) Main reason for decrease of current portion of non-current liabilities was the redemption of mature loan.
(o) Main reason for decrease of other current liabilities was that employees' demission compensation has been paid and rolled back due to move of some subsidiaries of the Company in the report period, after recheck and re-estimation according to the present duty.
(p) Main reason for increase of financial expenses was appreciation of RMB brought large amount of foreign exchange gain at the same period of last year.
(q) Main reason for change of asset impairment losses was that inventory depreciation loss withdrawn has been switched back, because of the subsidiaries of the Company which mainly engaged in real estate operation confirmed on balance sheet date that the factors which caused inventory had disappeared in the same period of last year.
(r) Main reason for decrease of investment income was that the Company sold the equity of the subsidiary – Shenzhen CSG Electronics Co., Ltd. and got investment income last year.
(s) Main reason for decrease of non-operating expenses was that the subsidiary of the Company – Shenzhen CSG Electronics Co., Ltd. disposed assets and caused write-off in the same period of last year.
(t) Main reason for increase of income tax expenses was that some subsidiaries of the Company transition preferential rates increased in the report period year-on-year, and some subsidiaries made more profit in the period.
(u) Main reason for change of other consolidated income was sale and change of available-for-sale financial assets.

ii Analysis and explanation of significant events and their influence and solutions

Applicable Non-applicable

iii Implementations of commitments by the Company, shareholders and actual controller

Applicable Non-applicable

Item of Commitments	Content of commitments	Implementation
Commitments for Share Merger Reform	-	-
Commitments of restricted share	-	-
Commitments made in Acquisition Report or Reports on Change in Interests	-	-
Commitments made in Material Assets Reorganization	-	-
Commitments made in issuing	China Ping'an Trust & Investment Co., Ltd. and Citics Securities Co., Ltd which held above 5% of the Company's shares made commitments: the shares subscribed in private placement of the Company in 2007 could not be transferred within 36 months since the end date of non-public issuance.	By the end of the report period, the shareholders of the Company have strictly carried out their promises.

Other commitments (including additional commitments)	<p>Additional commitments of the original non-tradable shareholders for Share Merger Reform:</p> <p>The Company has implemented share merger reform in May 2006. Till June 2009, the shares 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 (Shenzhen) Co., Ltd. and Xing 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 planed to sell A-shares of CSG amounted above 5% of the CSG group's total shares within six months from 16 June 2009, the day releasing restricted condition of the stock. The price for sale is no less than 8 RMB per share. At the same time, 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.</p>	By the end of the report period, the original non-tradable shareholders of the Company have strictly carried out their promises.
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iv Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason

Applicable Non-applicable

v Other significant events

Applicable Non-applicable

a) Implementation of incentive plan

According to Restricted A Share Incentive Plan (hereinafter Incentive Plan for short) approved by the Shareholders' General Meeting, the Company actually issued 49,140,000 restricted A-shares to 244 incentive staff privately in July 2008, at price of RMB 8.58 per share. The amount of raised fund is RMB 421,621,200.

Till March 2009, because the operation performance of 2008 did not satisfied unlocking conditions and several incentive staff had dismissed, the Company bought back and wrote off total 13,365,000 restricted A-shares on 18 June 2009.

The Company implemented Equity Distribution Plan of 2008 in July 2009, that was to distribute cash RMB 1.00 per 10 shares (include tax) to all shareholders, therefore the 9th meeting of the 5th board of directors adjusted buy-back price to RMB 8.48 per share according to relevant regulations in incentive plan.

From April to July 2009, the following 4 incentive staff Quan yue, Liu Quanhong, Hua Jianjun and Wu Ling had dismissed. According to relevant regulations of incentive plan, the Company held the 9th meeting of the 5th Board of Directors on 31 July 2009 and decided to buy back and write off totally 262,500 restricted A-shares (all has been lockup) of the 4 persons with the price of RMB 8.48 per share.

Details of the aforesaid could be found in relevant notices published on China Securities Journal, Securities Times, Hong Kong Wen Wei Po and Juchao Information website (www.cninfo.com.cn) dated 14 July 2008, 19 June 2009 and 4 August 2009.

b) In the report period, Heyuan CSG Mining Co., Ltd. was added into the consolidated scope whose main business was processing and selling quartz sand, and the Company had 75% equities of it.

c) In the report period, the Company neither provided capital for controlling shareholders or related parties, nor disobeyed regulations and procedure to provide external guarantees.

d) In the report period, there were no circumstances that the relevant parties of the Company needed to

compensate for the committed benefit in the Share Merger Reform and Material Assets Reorganization.

- e) In the report period, the Company didn't invest in stock.
 f) In the report period, the Company did not sign any significant contract.
 g) In the report period, the Company didn't invest in derivatives.

(i) Reception of investigation, communication and interview in the report period

Date	Place	Method	Investor
2009.8.5	Conference room	Spot investigation	China Jiayin Investment Securities Co., Ltd. United Securities Co., Ltd. Da Cheng Fund Management Co., Ltd. China Asset Management Co., Ltd.
2009.8.19	Conference room	Spot investigation	Guangzhou Securities Co., Ltd. Bohai Securities Co., Ltd. Goldstate Securities Co., Ltd. Guoyuan Securities Co., Ltd. Huatai Securities Co., Ltd.
2009.8.20	Conference room	Spot investigation	Macquarie Securities
2009.9.3	Conference room	Spot investigation	Goldman Sachs (Asia) LLC
2009.9.17	Conference room	Spot investigation	United Securities Co., Ltd. ICBC Credit Suisse Asset Management Co. Ltd. Taikang Asset Management Co., Ltd. CITIC Securities Co., Ltd.
2009.9.22	Conference room	Spot investigation	Minsheng Securities Co., Ltd.
Contents discussed and materials supplied			Introduction the disclosed information about operation and production of the Company.

IV Financial Statement

i Balance Sheet

Prepared by: CSG Holding Co., Ltd.

30 September 2009

Unit: RMB

Items	30 September 2009		31 December 2008	
	Consolidated	Company	Consolidated	Company
Current assets				
Cash in bank and on hand	403,271,697	77,132,142	1,033,779,912	783,242,506
Notes receivable	180,390,444		116,042,491	
Accounts receivable	409,859,551		236,576,669	
Advances to suppliers	104,694,071	2,901,858	52,940,729	3,257,858
Dividends receivable		388,946,343		120,450,718
Other receivables	16,452,310	507,224,244	34,964,981	777,038,513
Inventories	351,656,713		325,701,374	
Total current assets	1,466,324,786	976,204,587	1,800,006,156	1,683,989,595

Non-current assets				
Available-for-sale financial assets	7,104,703	7,104,703	12,930,101	12,930,101
Long-term receivables		1,361,693,440		1,143,041,204
Long-term equity investments	27,200,000	3,028,185,623	27,200,000	2,791,009,616
Fixed assets	8,246,742,479	18,947,054	5,543,400,908	19,265,605
Construction in progress	620,380,940		2,620,093,574	
Intangible assets	337,709,209	1,791,701	307,948,344	1,841,813
Goodwill	34,375,556		3,039,946	
Deferred tax assets	52,394,717		61,442,037	
Total non-current assets	9,325,907,604	4,417,722,521	8,576,054,910	3,968,088,339
Total assets	10,792,232,390	5,393,927,108	10,376,061,066	5,652,077,934
Current liabilities				
Short-term borrowings	2,428,015,247	1,039,548,200	2,797,063,550	1,603,580,700
Notes payable	409,151,347		289,673,653	
Accounts payable	1,001,621,307		743,432,885	
Advances from customers	135,473,765		94,964,995	
Employee benefits payable	65,205,440	33,393,546	40,005,228	2,710,000
Taxes payable	44,877,166	4,748,158	56,000,228	78,062
Interest payable	5,520,244	454,600	20,962,915	4,754,642
Dividends payable	3,060,505	3,060,505	3,212,152	3,212,152
Other payables	126,744,521	102,240,117	228,839,483	230,117,203
Current portion of non-current liabilities	23,112,906		83,968,751	
Other current liabilities	5,187,829		10,914,222	
Total current liabilities	4,247,970,277	1,183,445,126	4,369,038,062	1,844,452,759
Non-current liabilities				
Long-term borrowings	1,169,451,055		1,142,128,258	
Special payables	1,362,500		2,100,000	
Deferred tax liabilities	4,810,730		4,777,606	
Other non-current liabilities	54,303,750		45,000,000	
Total non-current liabilities	1,229,928,035		1,194,005,864	
Total liabilities	5,477,898,312	1,183,445,126	5,563,043,926	1,844,452,759
Owners' equity				
Paid-in capital	1,223,738,124	1,223,738,124	1,237,103,124	1,237,103,124
Capital surplus	2,119,434,860	2,162,458,669	2,067,761,896	2,107,751,509
Less: Treasury stock	262,500	262,500	12,952,500	12,952,500
Surplus reserve	391,040,358	391,040,358	391,040,358	391,040,358
Undistributed profits	1,318,581,024	433,507,331	863,352,524	84,682,684
Translation difference of foreign currency financial statements	-1,254,083		-1,698,863	
Total equity attributable to equity holders of the Company	5,051,277,783	4,210,481,982	4,544,606,539	3,807,625,175
Minority interest	263,056,295		268,410,601	
Total owners' equity	5,314,334,078	4,210,481,982	4,813,017,140	3,807,625,175
Total liabilities and owner's equity	10,792,232,390	5,393,927,108	10,376,061,066	5,652,077,934

ii Income Statement from July to September 2009

Prepared by: CSG Holding Co., Ltd.

July to September in 2009

Unit: RMB

Items	July to September in 2009		July to September in 2008	
	Consolidated	Company	Consolidated	Company
1. Total revenue	1,481,782,225		1,142,409,359	72,000
Incl. Revenue	1,481,782,225		1,142,409,359	72,000
2. Total cost	1,127,448,759	4,685,237	991,757,773	30,411,186
Incl. Cost of sales	926,331,704		804,886,826	3,715
Taxes and surcharges	1,208,660		1,103,416	
Selling and distribution expenses	66,427,977		53,489,563	
General and administrative expenses	110,497,970	15,169,699	93,285,926	25,075,382
Financial expenses – net	21,453,894	-10,484,462	39,707,682	5,332,089
Asset impairment losses	1,528,554		-715,640	
Add: Investment income	12,114,733	14,607,566	-877,338	-877,339
3. Operating profit (“-“ for loss)	366,448,199	9,922,329	149,774,248	-31,216,525
Add: Non-operating income	17,908,021	2,450,000	16,391,726	
Less: Non-operating expenses	902,897		386,769	
Including: Loss on disposal of non-current assets	578,838		210,203	
4. Total profit (“-“ for loss)	383,453,323	12,372,329	165,779,205	-31,216,525
Less: Income tax expenses	42,373,693		11,669,915	
5. Net profit (“-“ for net loss)	341,079,630	12,372,329	154,109,290	-31,216,525
Attributable to equity holders of the Company	316,442,327		135,280,293	
Minority interest	24,637,303		18,828,997	
6. Earnings per share				
(1) Basic	0.26		0.11	
(2) Diluted	0.26		0.11	
7. Other complex income	-7,698,294	-6,757,532	-7,347,203	-5,292,849
8. Total complex income	333,381,336	5,614,797	146,762,087	-36,509,374
Attributable to equity holders of the Company	308,744,033	5,614,797	127,933,090	-36,509,374
Attributable to equity holders of minority interest	24,637,303	0	18,828,997	0

iii Income Statement from January to September 2009

Prepared by: CSG Holding Co., Ltd.

January to September in 2009

Unit: RMB

Items	January to September in 2009		January to September in 2008	
	Consolidated	Company	Consolidated	Company
1. Total revenue	3,547,329,604		3,274,186,451	72,000
Incl. Revenue	3,547,329,604		3,274,186,451	72,000
2. Total cost	2,901,833,100	28,684,611	2,675,353,385	44,211,181
Incl. Cost of sales	2,345,420,473		2,247,861,748	3,715
Taxes and surcharges	3,997,445		3,122,282	
Selling and distribution expenses	177,588,297		159,794,094	
General and administrative expenses	298,031,992	51,821,967	238,063,329	43,322,059
Financial expenses – net	75,144,972	-23,137,356	34,900,515	885,407

Asset impairment losses	1,649,921		-8,388,583	
Add: Investment income	19,054,303	497,434,433	43,557,475	361,158,012
3. Operating profit ("-" for loss)	664,550,807	468,749,822	642,390,541	317,018,831
Add: Non-operating income	33,074,548	2,452,600	26,751,343	2,189,913
Less: Non-operating expenses	2,205,067	3,963	7,397,714	
Including: Loss on disposal of non-current assets	695,899	3,963	3,544,419	
4. Total profit ("-" for loss)	695,420,288	471,198,459	661,744,170	319,208,744
Less: Income tax expenses	65,364,296		47,944,100	
5. Net profit ("-" for net loss)	630,055,992	471,198,459	613,800,070	319,208,744
Attributable to equity holders of the Company	577,602,312		545,133,926	
Minority interest	52,453,680		68,666,144	
6. Earnings per share:				
(1) Basic	0.47		0.45	
(2) Diluted	0.47		0.45	
7. Other complex income	-2,654,065	-3,098,844	-28,521,543	-24,051,565
8. Total complex income	627,401,927	468,099,615	585,278,527	295,157,179
Attributable to equity holders of the Company	574,948,247	468,099,615	516,612,383	295,157,179
Attributable to equity holders of minority interest	52,453,680	0	68,666,144	0

iv Cash Flow Statement

Prepared by: CSG Holding Co., Ltd.

January to September in 2009

Unit: RMB

Items	January to September in 2009		January to September in 2008	
	Consolidated	Company	Consolidated	Company
1. Cash flows from operating activities				
Cash received from sales of goods or rendering of services	3,865,976,685		3,632,051,295	-
Refund of taxes and levies	14,090,955		10,181,940	
Cash received relating to other operating activities	60,176,232	666,285,735	45,099,197	654,591,668
Sub-total of cash inflows	3,940,243,872	666,285,735	3,687,332,432	654,591,668
Cash paid for goods and services	2,112,538,113		2,115,071,924	
Cash paid to and on behalf of employees	288,806,693	9,663,182	317,217,908	37,687,461
Payments of taxes and levies	308,011,820	255,670	293,440,460	442,492
Cash paid relating to other operating activities	176,985,445	591,097,320	280,684,905	424,443,490
Sub-total of cash outflows	2,886,342,071	601,016,172	3,006,415,197	462,573,443
Net cash flows from operating activities	1,053,901,801	65,269,563	680,917,235	192,018,225
2. Cash flows from investing activities				
Cash received from disposal of investments	20,268,227	20,268,227	223,548,654	317,661,061
Cash received from returns on investments	1,516,000	204,511,340		288,268,038
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,812,769		6,654,351	-
Cash received relating to other investing activities	146,329,058	31,098,531		
Sub-total of cash inflows	169,926,054	255,878,098	230,203,005	605,929,099
Cash paid to acquire fixed assets, intangible assets and other long-term assets	978,924,242	1,970,074	2,140,454,859	835,463
Cash paid to acquire investments		197,220,000	108,106,684	523,329,039
Net cash received from subsidiaries and other	20,280,000			

Cash paid relating to other investing activities			21,926,192	815,000,000
Sub-total of cash outflows	999,204,242	199,190,074	2,270,487,735	1,339,164,502
Net cash flows for investing activities	-829,278,188	56,688,024	-2,040,284,730	-733,235,403
3. Cash flows from financing activities				
Cash received from capital contributions			440,181,200	421,621,200
Including: Cash received from capital contributions by minority shareholders of subsidiaries			18,560,000	-
Cash received from borrowings	3,608,266,619	1,362,513,800	6,489,649,579	2,624,702,440
Cash received form other financing activities	610,912,665	615,100,000		
Sub-total of cash inflows	4,219,179,284	1,977,613,800	6,929,830,779	3,046,323,640
Cash repayments of borrowings	4,010,847,970	1,926,504,000	5,236,255,844	2,174,243,480
Cash payments for interest expenses and distribution of dividends or profits	339,711,172	149,422,461	367,927,966	203,078,905
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	64,416,978		54,088,127	-
Cash payments relating to other financing activities	114,671,700	114,671,700	679,039,871	515,460,000
Sub-total of cash outflows	4,465,230,842	2,190,598,161	6,283,223,681	2,892,782,385
Net cash flows from financing activities	-246,051,558	-212,984,361	646,607,098	153,541,255
4. Effect of foreign exchange rate changes on cash and cash equivalents	1,832,396	16,410	-9,280,477	-133,479
5. Net increase in cash and cash equivalents	-19,595,549	-91,010,364	-722,040,874	-387,809,402
Add: Cash and cash equivalents at beginning of year	394,923,631	168,142,506	1,259,606,553	607,076,960
6. Cash and cash equivalent at end of year	375,328,082	77,132,142	537,565,679	219,267,558

v Auditors' Report

Auditors' opinions: Un-audited

**Board of Directors of
CSG Holding Co., Ltd.
16 October 2009**