

CSG HOLDING CO., LTD.

**THE FIRST QUARTER REPORT 2020**



Chairman of the Board:

CHEN LIN

April 2020

## **Section I Important Notice**

Board of Directors and the Supervisory Committee of CSG Holding Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the facticity, accuracy and completeness of the whole contents.

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

Ms. Chen Lin, Chairman of the Board, Mr. Wang Jian, responsible person in charge of the accounting and Ms. Wang Wenxin, principal of the financial department (accounting officer) declare that the Financial Report enclosed in the First Quarter Report 2020 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 situation of the Company

### I. Main accounting data and financial indicators

Whether the company need to retroactively adjust or restate the previous year's accounting data or not

Yes  No

	The 1st quarter of 2020	The 1st quarter of 2019	Percentage of change (%)
Operating income (RMB)	1,733,965,637	2,222,721,514	-21.99%
Net profit attributable to shareholders of the listed company(RMB)	111,278,288	132,188,324	-15.82%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	101,805,077	82,573,767	23.29%
Net cash flow arising from operating activities(RMB) note(1)	-11,126,768	136,317,362	-108.16%
Basic earnings per share (RMB/Share)	0.04	0.04	-
Diluted earnings per share (RMB/Share)	0.04	0.04	-
Weighted average ROE (%)	1.16%	1.44%	-0.28%
	31 March 2020	31 December 2019	Percentage of change (%)
Total assets (RMB)	20,247,986,997	18,201,235,959	11.25%
Net assets attributable to shareholder of listed company(RMB)	9,608,165,285	9,495,588,878	1.19%

Note (1): Due to the epidemic, sales revenue reduced.

The total share capital of the company as of the previous trading day of disclosure ( share )	3,106,915,005
Fully diluted earnings per share calculated with latest equity ( RMB/share )	0.04

Note: The total amount of 1,281,158 shares of restricted stocks held by 18 unqualified original incentives, which had been repurchased but not yet cancelled, were deducted from the total share capital.

Items and amounts of extraordinary profit (gains)/losses

Applicable  Not applicable

Unit: RMB

Item	Amount from beginning of the year to the end of the report period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-494,285	

Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	20,792,152	
Loss and profit on external entrusted loan	5,546,383	
Other non-operating income and expenditure except for the aforementioned items	-16,631,286	
Less: Impact on income tax	-308,097	
Impact on minority shareholders' equity (post-tax)	47,850	
Total	9,473,211	--

For the non-recurring profit and loss items defined by the company in accordance with Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss, and the non-recurring profit and loss items listed in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss. are defined as recurring profit and loss items, the reasons shall be explained.

Applicable  Not applicable

During the report period, the Company didn't have the case of extraordinary profit (gains)/loss defined as a regular profit and loss project, which was defined and enumerated 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 the shares held by the top ten shareholders

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

Unit: Share

The total number of common shareholders at the end of the report period	148,844	The total number of preference shareholders with voting rights recovered at end of report period (if applicable)	0			
Particulars about the 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. – Hailiniannian	Domestic non state-owned legal person	15.01%	466,386,874			
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	Domestic non state-owned legal person	3.81%	118,425,007			
Zhongshanruntian Investment Co., Ltd.	Domestic non state-owned legal person	2.79%	86,633,447		pledged	81,000,000
Foresea Life Insurance Co., Ltd. – Own	Domestic non state-owned	2.08%	64,765,161			

Fund	legal person				
Central Huijin Asset Management Ltd.	State-owned legal person	1.86%	57,915,488		
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	1.80%	56,039,290		
China Galaxy International Securities (Hong Kong) Co., Limited	Foreign legal person	1.33%	41,399,778		
China Merchants Securities (HK) Co., Limited	State-owned legal person	1.05%	32,486,067		
Shenzhen International Holdings (SZ) Limited	State-owned legal person	0.94%	29,095,000		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.62%	19,320,233		
Particulars about the top ten shareholders with un-restrict shares held					
Shareholders' name	Amount of unrestricted shares held at the end of the period	Type of shares			
		Type	Amount		
Foresea Life Insurance Co., Ltd. – Hailiniannian	466,386,874	RMB ordinary shares	466,386,874		
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	118,425,007	RMB ordinary shares	118,425,007		
Zhongshanruntian Investment Co., Ltd.	86,633,447	RMB ordinary shares	86,633,447		
Foresea Life Insurance Co., Ltd. – Own Fund	64,765,161	RMB ordinary shares	64,765,161		
Central Huijin Asset Management Ltd.	57,915,488	RMB ordinary shares	57,915,488		
Hong Kong Securities Clearing Co., Ltd.	56,039,290	RMB ordinary shares	56,039,290		
China Galaxy International Securities (Hong Kong) Co., Limited	41,399,778	Domestically listed foreign shares	41,399,778		
China Merchants Securities (HK) Co., Limited	32,486,067	Domestically listed foreign shares	32,486,067		
Shenzhen International Holdings (SZ) Limited	29,095,000	RMB ordinary shares	29,095,000		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	19,320,233	Domestically listed foreign shares	19,320,233		
Statement on associated relationship or consistent action among the above shareholders:	<p>Among shareholders as listed above, Foresea Life Insurance Co., Ltd.-HailiNiannian, Foresea Life Insurance Co., Ltd.-Universal Insurance Products, Foresea Life Insurance Co., Ltd.-Own Fund are all held by Foresea Life Insurance Co., Ltd. Zhongshanruntian Investment Co., Ltd. is a related legal person of Foresea Life Insurance Co., Ltd. and Chengtai Group Co., Ltd., another related legal person of Foresea Life Insurance Co., Ltd, which held 40,187,904 shares via China Galaxy International Securities (Hong Kong) Co., Limited.</p> <p>Except for the above-mentioned shareholders, it is unknown whether other shareholders belong to related party or have associated relationship regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.</p>				
Explanation on the top ten	N/A				

shareholders with un-restrict shares held which involving margin business (if applicable)	
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Whether the top ten common shareholders or the top ten common shareholders holding unrestricted shares had a buy-back agreement dealing in the report period or not.

Yes  No

The top ten common shareholders or the top ten common shareholders holding unrestricted shares of the Company had no buy-back agreement dealing in the report period.

**2. The total number of preferred shareholders of the company and particulars about the top ten preferred shareholders**

Applicable  Not applicable

## Section III Important events

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

√Applicable    □Not applicable

Unit: RMB 0,000

	Note	31 March 2020	31 December 2019	Amount of change	Percentage of change
Monetary Fund	(1)	384,623	198,698	185,925	94%
Notes receivable	(2)	14,042	29,702	-15,660	-53%
Advance payment	(3)	11,448	7,820	3,628	46%
Inventories	(4)	121,176	81,232	39,944	49%
Other current assets	(5)	15,540	44,800	-29,260	-65%
Construction in progress	(6)	252,242	190,214	62,028	33%
Advance from customers	(7)	-	29,280	-29,280	-100%
Contract liability	(8)	28,951	-	28,951	-
Payroll payable	(9)	16,391	33,787	-17,396	-51%
Taxes payable	(10)	7,855	11,543	-3,688	-32%
	Note	Jan.-Mar.2020	Jan.-Mar.2019	Amount of change	Percentage of change
Credit impairment loss	(11)	376	682	-306	-45%
Income from asset disposal	(12)	-49	688	-737	-107%
Other income	(13)	2,079	4,746	-2,667	-56%
Non-operating expenses	(14)	1,722	142	1,580	1113%
Minority shareholder gains and losses	(15)	71	375	-304	-81%
Other comprehensive income	(16)	149	-122	271	

Notes:

- (1) The increase in monetary fund was mainly due to the increase in cash received from the company's bonds issued in the current period.
- (2) The decrease in notes receivable was mainly due to the collection and use of notes at maturity.
- (3) The increase in advance payment was mainly due to the increase of prepayment materials.
- (4) The increase in inventories was mainly due to the decrease in shipments affected by the outbreak.
- (5) The decrease in other current assets was mainly due to the collection of entrusted loans in the current period.
- (6) The increase in construction in progress was mainly due to transfer of fixed assets of some subsidiaries to the technical renovation

of construction in process.

(7) The decrease in advance from customers was mainly due to the reclassification of advance from customers and contract liabilities according to the new revenue criteria.

(8) The increase in contract liability was mainly due to the reclassification of advance payment and contract liability according to the new revenue criterion.

(9) The decrease in payroll payable was mainly due to the payment of year-end bonus at the end of last year.

(10) The decrease in taxes payable was mainly due to the tax paid for the end of the previous reporting period.

(11) The decrease in credit impairment loss was mainly due to the reduction of accounts receivable bad debt provision.

(12) The decrease in income from asset disposal was mainly due to the disposal of assets held for sale in the previous period.

(13) The decrease in other income was mainly due to the reduction of the amortization of current government subsidies.

(14) The increase in non-operating expenses was mainly due to the increase of donation expenses during the epidemic.

(15) The decrease in profit and loss of minority shareholders was mainly due to the decrease in the net profit of the subsidiary with minority shareholders.

(16) The increase in other comprehensive income was mainly due to the translation difference of foreign currency statements.

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

Applicable   Not applicable

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

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

### 2. Medium-term notes

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

On April 15, 2016, the Shareholders' General Meeting of 2015 of CSG deliberated and approved the proposal of application for registration and issuance of medium-term notes with a total amount of RMB 0.8 billion, which could be issued by stages within period of validity of the registration according to the Company's actual demands for funds and the status of inter-bank funds. On 2



March 2018, National Association of Financial Market Institutional Investors (NAFMII) held the 14<sup>th</sup> 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 phase of medium-term notes with a total amount of RMB 0.8 billion and valid term of three years at the issuance rate of 7%, which will be redeemed on May 4, 2021.

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

### 3. Public issuance of corporate bonds

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

On July 22, 2019, the Company received *the Reply on Approving the Public Issuance of Corporate Bonds by CSG Holding Co., Ltd. to Qualified Investors* (ZHJXK[2019] No. 1140) issued by China Securities Regulatory Commission. From Mar. 24, 2020 to Mar. 25, 2020, the Company issued the first phase of corporate bonds with a total amount of RMB 2.00 billion and valid term of three years at the issuance rate of 6% ,which will be redeemed on Mar. 25, 2023.

On March 12, 2020, the 1st Extraordinary General Meeting of Shareholders of 2020 deliberated and approved "the Proposal on the Public Issuance of Corporate Bonds to Qualified Investors", and agreed the Company to issue corporate bonds with a total issue of no more than RMB 1.8 billion and a term of no more than 10 years.

4. The interim meeting of the 8th board of directors of the Company held on Dec. 20, 2019 approved the resolution that the Company would issue RMB 300.00 million entrusted loans to TengchongYuezhou Water Investment and Development Co., Ltd, with valid term of three months and annual interest rate at 8.5%. By Mar. 24, 2020, the principal and income of the entrusted loan had been recovered as agreed in contract.

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

The interim meeting of the 8th board of directors of the Company held on Mar. 5, 2020 deliberated and approved the related proposals of non-public issuance of A shares, and agreed the Company to issue A shares privately. The proposals were deliberated and approved by the 2nd Extraordinary General Meeting of Shareholders of 2020 which held on April 16, 2020.

For details, please refer to the relevant contents published on juchao information network ([www.cninfo.com.cn](http://www.cninfo.com.cn)) on March 6 and April 17, 2020.

Progress of implementation of share repurchase

Applicable    Not applicable

Progress of implementation of the reduction of there purchased shares by means of centralized price bidding

Applicable    Not applicable

### **III. Failure in due fulfillment of commitments of the actual controllers, shareholders, affiliates, and acquirers of listed company as well as the listed company during the report period**

Applicable    Not applicable

It did not exist that commitments of the actual controllers, shareholders, affiliates, and acquirers of listed company as well as the listed company failed to be fulfilled on time during the report period.

### **IV. Predict of the business performance from January to June 2020**

Warnings and reasons of the predict that the cumulative net profit from the begin of the year to the end of next report period may be loss or have great changes comparing with the same period of last year

Applicable    Not applicable

### **V. Securities investment**

Applicable     Not applicable

There was no securities investment during the report period.

### **VI. Entrusted Financing**

Applicable     Not applicable

There was no Entrusted Financing during the report period

### **VII. Derivative investment**

Applicable     Not applicable

There was no derivative investment during the report period.

### **VIII. Registration form for receiving research, communication and interview during the report period**

Applicable     Not applicable

The Company did not receive any research, communication or interviews during the report period.

### **IX. Particulars about illegal external guarantee**

Applicable    Not applicable

The Company had no illegal external guarantee during 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

There's no non-operating fund of listed company occupied by controlling shareholder and its affiliated enterprises during the report period.

## Section IV Financial Report

### I. Financial Statements

#### 1. Consolidated balance sheet

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	2020-3-31	2019-12-31
Current asset:		
Monetary Fund	3,846,233,991	1,986,980,418
Notes receivable	140,418,023	297,023,380
Accounts receivable	823,778,059	649,681,177
Receivables financing	285,058,513	258,296,826
Prepayments	114,478,403	78,196,027
Other receivables	211,774,103	202,854,864
Inventories	1,211,763,346	812,321,690
Other current assets	155,404,297	447,995,931
Total current assets	6,788,908,735	4,733,350,313
Non-current assets:		
Fixed assets	9,068,360,284	9,783,037,301
Construction in progress	2,522,416,100	1,902,140,035
Intangible assets	1,118,306,095	1,044,826,287
Development expenditure	97,761,017	85,240,356
Goodwill	315,097,756	315,097,756
Long-term prepaid expenses	10,973,411	11,351,431
Deferred tax assets	210,292,966	205,792,587
Other non-current assets	115,870,633	120,399,893
Total non-current assets	13,459,078,262	13,467,885,646
Total assets	20,247,986,997	18,201,235,959
Current liabilities:		
Short-term loan	2,289,050,367	2,240,969,137
Notes payable	171,724,911	232,063,968
Accounts payable	1,280,281,135	1,100,531,779

Advance from customers		292,803,811
Contract liability	289,510,630	
Payroll pay	163,913,820	337,866,246
Taxes payable	78,552,174	115,425,044
Other payables	378,107,241	351,374,775
Incl.: Interest payable	102,902,279	73,251,086
Dividend payable	2,985,563	2,985,563
Non-current liabilities due within one year	1,544,734,218	1,712,456,928
Other current liabilities	300,000	300,000
Total current liabilities	6,196,174,496	6,383,791,688
Non-current liabilities:		
Long term loan	1,471,322,500	1,320,225,000
Bonds payable	1,991,303,521	
Long-term payables	70,233,958	87,240,529
Deferred income	507,674,359	513,925,557
Deferred income tax liabilities	32,135,757	30,197,657
Total non-current liabilities	4,072,670,095	1,951,588,743
Total Liabilities	10,268,844,591	8,335,380,431
Owners' equity:		
Share capital	3,106,915,005	3,106,915,005
Capital reserve	683,219,358	683,219,358
Less: treasury shares	118,066,397	118,066,397
Other comprehensive income	8,058,407	6,565,864
Special reserves	10,908,497	11,102,921
Surplus reserve	946,251,286	946,251,286
Undistributed profits	4,970,879,129	4,859,600,841
Total owner's equity attributable to the parent company	9,608,165,285	9,495,588,878
Minority shareholders' equity	370,977,121	370,266,650
Total owner's equity	9,979,142,406	9,865,855,528
Total Liabilities and Owner's Equity	20,247,986,997	18,201,235,959

Legal Representative: Chen Lin Responsible person in charge of the accounting: Wang Jian

Principal of the financial department: Wang Wenxin

2. Balance Sheet of the Parent Company

Unit: RMB

Item	Ending balance	Beginning balance
<b>Current asset:</b>		
Monetary Fund	3,441,903,352	1,560,798,731
Prepayments	1,580,018	1,799,222
Other receivables	3,568,793,050	3,179,500,967
Other current assets	102,916	300,000,000
<b>Total current assets</b>	<b>7,012,379,336</b>	<b>5,042,098,920</b>
<b>Non-current assets:</b>		
Long-term receivables	1,200,000,000	1,200,000,000
Long-term equity investment	5,160,865,574	5,079,465,574
Fixed assets	18,235,043	19,550,442
Intangible assets	274,696	370,484
Other non-current assets	12,036,106	1,407,535
<b>Total non-current assets</b>	<b>6,391,411,419</b>	<b>6,300,794,035</b>
<b>Total assets</b>	<b>13,403,790,755</b>	<b>11,342,892,955</b>
<b>Current liabilities:</b>		
Short-term loan	1,713,000,000	1,687,000,000
Notes payable	20,000,000	170,000,000
Payables	236,346	236,346
Payroll payable	6,796,262	53,040,982
Taxes payable	150,096	2,901,358
Other payables	1,747,238,244	1,643,156,452
Incl.: Interest payable	58,978,240	41,186,139
Dividend payable	2,985,563	2,985,563
Non-current liabilities due within one year	1,200,000,000	1,200,000,000
<b>Total current liabilities</b>	<b>4,687,420,948</b>	<b>4,756,335,138</b>
<b>Non-current liabilities:</b>		
Long term loan	1,300,000,000	1,130,000,000
Bonds payable	1,991,303,521	
Deferred income	181,782,265	182,386,537
<b>Total non-current liabilities</b>	<b>3,473,085,786</b>	<b>1,312,386,537</b>
<b>Total Liabilities</b>	<b>8,160,506,734</b>	<b>6,068,721,675</b>

Owners' equity:		
Share capital	3,106,915,005	3,106,915,005
Capital reserve	828,046,672	828,046,672
Less: treasury shares	118,066,397	118,066,397
Surplus reserve	960,796,646	960,796,646
Undistributed profits	465,592,095	496,479,354
Total owner's equity	5,243,284,021	5,274,171,280
Total Liabilities and Owner's Equity	13,403,790,755	11,342,892,955

### 3. Consolidated Income Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total operating revenue	1,733,965,637	2,222,721,514
Incl. :Business income	1,733,965,637	2,222,721,514
II. Total business cost	1,598,409,180	2,105,465,980
Incl. :Business cost	1,223,133,015	1,710,257,358
Taxes and surcharges	21,811,789	26,974,283
Sales expense	68,190,292	82,460,250
Management costs	154,294,998	123,978,598
Research and development expenses	72,997,585	79,671,948
Financial expenses	57,981,501	82,123,543
Incl. : Interest expense	67,258,381	87,627,795
Interest income	11,556,400	6,719,497
Plus: Other income	20,792,152	47,460,637
Credit impairment loss ("-" for loss)	-3,756,132	-6,824,404
Asset disposal income("-" for loss)	-494,285	6,877,195
III. Operational profit ("-" for loss)	152,098,192	164,768,962
Plus: non-operational income	585,906	687,874
Less: non-operational expenses	17,217,192	1,424,258
IV. Gross profit ("-" for loss)	135,466,906	164,032,578
Less: Income tax expenses	23,478,147	28,094,174
V. Net profit ("-" for net loss)	111,988,759	135,938,404
(I) Classification by business continuity		
1. Net profit from continuous operation("-" for net	111,988,759	135,938,404

loss)		
2. Discontinued operating net profit("—" for net loss)		
(II) Classification by ownership		
1. Net profit attributable to the owners of parent company	111,278,288	132,188,324
2. Minor shareholders' equity	710,471	3,750,080
VI. Net after-tax amount of other comprehensive income	1,492,543	-1,221,913
Net after-tax amount of other comprehensive income attributable to the owner of the parent company	1,492,543	-1,221,913
Other comprehensive income that will be reclassified into profit or loss	1,492,543	-1,221,913
Foreign-currency financial statement translation difference	1,492,543	-1,221,913
VII. Total comprehensive income	113,481,302	134,716,491
Total comprehensive income attributable to owners of the Company	112,770,831	130,966,411
Total comprehensive income attributable to minority shareholders	710,471	3,750,080
VIII. Earnings per share		
(I) Basic earnings per share	0.04	0.04
(II) Diluted earnings per share	0.04	0.04

Legal Representative: Chen Lin  
 Responsible person in charge of the accounting: Wang Jian  
 Principal of the financial department: Wang Wenxin

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

Unit: RMB

Item	Balance of this period	Balance of last period
I. Operating revenue	19,233,446	20,108,542
Less: Business cost		
Taxes and surcharges	20,006	220,610
Sales expense		
Management costs	19,879,935	22,307,483
Research and development expenses	4,617	8,833
Financial expenses	29,286,644	31,366,290
Incl. : Interest expense	39,873,739	36,970,255
Interest income	10,724,357	5,862,210

Plus: Other income	735,596	678,275
Credit impairment loss (“-“ for loss)	-123,501	3,481
II. Operational profit (“-“ for loss)	-29,345,661	-33,112,918
Plus: non-operational income	76,152	
Less: non-operational expenses	1,617,750	
III.. Gross profit (“-“ for loss)	-30,887,259	-33,112,918
Less: Income tax expenses		
IV. Net profit (“-“ for net loss)	-30,887,259	-33,112,918
(I) Net profit from continuous operation (“-“ for net loss)	-30,887,259	-33,112,918
(II) Discontinued operating net profit (“-“ for net loss)		
V. Total comprehensive income	-30,887,259	-33,112,918
VI. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

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	1,783,332,428	2,268,333,166
Refunds of taxes	1,032,626	1,825,553
Received other cash related to business activities	34,722,910	26,891,640
Subtotal of cash inflow from operating activities	1,819,087,964	2,297,050,359
Cash paid for the purchase of goods and services	1,145,407,582	1,445,370,845
Cash paid to and for employees	424,877,941	418,315,107
Payments of all types of taxes	133,051,857	138,793,875
Payment of other cash related to business activities	126,877,352	158,253,170
Subtotal of cash outflow from operating activities	1,830,214,732	2,160,732,997
Net cash flow from operating activities	-11,126,768	136,317,362
II. Cash flows from investing activities:		
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	520,508	334,400
Other cash received relating to investing activities	321,068,423	209,085



Subtotal of cash inflows from investment activities	321,588,931	543,485
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	246,551,903	127,234,513
Other cash paid relating to investing activities	15,432,851	606,824
Subtotal of cash outflows from investment activities	261,984,754	127,841,337
Net cash flows from investing activities	59,604,177	-127,297,852
III. Cash flow from financing activities:		
Cash received from the loan	1,114,359,186	835,500,000
Cash received from the issuance of bonds	2,000,000,000	
Other financing-related cash received	904,849	500,000,000
Subtotal of cash inflows from financing activities	3,115,264,035	1,335,500,000
Cash paid for debt repayment	917,657,084	930,211,970
Cash paid for dividends, profits or interest payments	40,226,280	62,397,350
Payment of other cash related to financing activities	197,505,852	359,331,565
Subtotal of cash outflows from financing activities	1,155,389,216	1,351,940,885
Net cash flow from financing activities	1,959,874,819	-16,440,885
IV. Influence of exchange rate alternation on cash and cash equivalents	759,216	-1,620,779
V. Net increase in cash and cash equivalents	2,009,111,444	-9,042,154
Plus: Balance of cash and cash equivalents at the beginning of term	1,831,835,030	2,225,126,913
VI. Balance of cash and cash equivalents at the end of term	3,840,946,474	2,216,084,759

## 6. Cash Flow Statement of the Parent Company

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		
Refunds of taxes	18,321	
Received other cash related to business activities	17,504,825	12,431,042
Subtotal of cash inflow from operating activities	17,523,146	12,431,042
Cash paid for the purchase of goods and services		
Cash paid to and for employees	65,197,531	51,404,986
Payments of all types of taxes	6,802,435	1,047,643

Payment of other cash related to business activities	5,566,108	8,308,180
Subtotal of cash outflow from operating activities	77,566,074	60,760,809
Net cash flow from operating activities	-60,042,928	-48,329,767
II. Cash flows from investing activities:		
Other cash received relating to investing activities	300,000,000	
Subtotal of cash inflows from investment activities	300,000,000	
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	9,586,096	1,522,855
Cash for investment payments	81,400,000	
Subtotal of cash outflows from investment activities	90,986,096	1,522,855
Net cash flows from investing activities	209,013,904	-1,522,855
III. Cash flow from financing activities:		
Cash received from the loan	827,549,801	700,000,000
Cash received from the issuance of bonds	2,000,000,000	
Other financing-related cash received		
Subtotal of cash inflows from financing activities	2,827,549,801	700,000,000
Cash paid for debt repayment	631,999,801	650,000,000
Cash paid for dividends, profits or interest payments	22,458,117	22,874,958
Payment of other cash related to financing activities	290,614,929	670,685,645
Subtotal of cash outflows from financing activities	945,072,847	1,343,560,603
Net cash flow from financing activities	1,882,476,954	-643,560,603
IV. Influence of exchange rate alternation on cash and cash equivalents	14,917	-17,160
V. Net increase in cash and cash equivalents	2,031,462,847	-693,430,385
Plus: Balance of cash and cash equivalents at the beginning of term	1,407,215,863	1,699,514,334
VI. Balance of cash and cash equivalents at the end of term	3,438,678,710	1,006,083,949

## II. Note to the Adjustment of Financial Statements

Since 2020, adjustment of the relevant financial statements at current year beginning according to new standards for the new standards for revenues and the new standards for lease initially implemented

Applicable Not applicable

Item	2019-12-31	2020-01-01	adjust data
Advance from customers	292,803,811		-292,803,811

Contract liability		292,803,811	292,803,811
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Note: the finance ministry issued Accounting Standard For Business Enterprises no. 14 - revenue in July 2017. In accordance with the relevant provisions, enterprises that are listed both in domestic and abroad and enterprises that are listed abroad and prepare financial statements by adopting international financial reporting standards or accounting standards for business enterprises shall come into force as of January 1, 2018; Other domestic listed enterprises shall take effect as of January 1, 2020.

In accordance with the above provisions, the company shall implement the newly issued revenue criterion from January 1, 2020, and the payment for the original advance sales contract shall be reported in the "Advance from customers", and the payment shall be reported in the "contract liability" from January 1, 2020.

**2. Since 2020, note to the retroactive adjustment of the previous comparative data according to the new standards for revenues and the new standards for lease initially implemented**

Applicable  Not applicable

**III. Report of the Auditors**

Whether the First Quarter Report has been audited or not

Yes  No

The First Quarter Report hasn't been audited.

Board of Directors of  
CSG Holding Co., Ltd.  
30 April 2020