

CSG HOLDING CO., LTD.

# THE THIRD QUARTER REPORT 2013

(Excluding Financial Statement)



Chairman of the Board:

ZENG NAN

October 2013

Stock Code: 000012; 200012;  
112021; 112022

Short Form of Stock: CSG A; CSG B;  
10 CSG 01; 10 CSG 02

Notice No.:2013-034

## THE THIRD QUARTER REPORT 2013

### I. Important Note

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 truthfulness, accuracy and completeness of the whole contents.

Except for the following director, others are present the meeting of the Board for deliberating the Third Quarter Report of the Company in person.

Name of director absent	Position	Reason for absence	Name of authorized director
Chen Chao	Independent Director	On business trip	Zhang Jianjun

Chairman of the Board & CEO of the Company Mr. Zeng Nan, CFO Mr. Luo Youming and principle of the financial department Mr. Zhang Guoming hereby confirm the truthfulness and completeness of the Financial Report in the Third Quarter Report of 2013.

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.

### II. Main accounting data and changes of shareholders

#### (I) Main accounting data and indices

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

Yes  No

	30 September 2013	31 December 2012	Increase/decrease (%)	
Total assets(RMB)	15,995,988,781	14,335,809,746	11.58%	
Owners' equity attributable to shareholders of the listed company(RMB)	7,129,286,699	6,816,210,753	4.59%	
	The 3rd quarter of 2013	Increase/Decrease in comparison with the same period of 2012	From 1 January to 30 September 2013	Increase/Decrease in comparison with the same period of 2012
Total business revenue(RMB)	2,114,679,495	8.57%	5,651,645,278	6.77%
Net profit attributable to shareholders of the listed company (RMB)	273,932,669	74.84%	627,652,415	55.83%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	239,984,898	66.00%	563,127,877	112.56%
Net cash flow arising from operating activities(RMB)	--	--	1,097,503,560	-20.64%
Basic earnings per share (RMB/Share)	0.13	62.50%	0.30	57.89%
Diluted earnings per share (RMB/Share)	0.13	62.50%	0.30	57.89%
Weighted average ROE (%)	3.94%	1.67%	9.02%	3.19%

Non-recurring items deducted and amounts

√Applicable    □ Non-applicable

Items	Amount from the beginning of year to the end of the report period(RMB)	Note
Gains and losses from disposal of non-current assets	3,026,189	
Governmental subsidy calculated into current gains and losses (excluding the fixed-amount or fixed-proportion governmental subsidies closely related to the business of the company according to the unified national standard)	74,430,284	
Gains and losses from change of fair values of held-for-transaction financial assets and financial liabilities except for the effective hedge business related to normal business of the Company, and investment income from disposal of transactional financial assets and liabilities and financial assets available for sale	432,000	
Other non-operating income and expenditure except the abovementioned	10,313,390	
Less: Impact on income tax	16,331,882	
Amount of minority shareholders' equity (post-tax)	7,345,443	
Total	64,524,538	--

Concerning 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*, explain reasons.

□Applicable    √Non-applicable

## (II) Total of shareholders at the end of the report period and particulars about the shares held by the top ten shareholders

Total of shareholders at the end of the report period		219,570				
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
China Northern Industries Corporation	State-owned legal person	3.62%	75,167,934	0		
Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	3.01%	62,520,000	0		
Shenzhen International Holdings (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	2.88%	59,778,813	0		
ICBC-Lion Stock Securities Investment Funds	Domestic non state-owned legal person	1.33%	27,607,605	0		
ICBC- Lion Value Growth Stock Securities Investment Funds	Domestic non state-owned legal person	0.96%	20,000,000	0		
BBH A/C Vanguard Emerging Markets Stock Index Fund	Overseas legal person	0.77%	15,990,664	0		
CMBC—Yinhua Shenzhen 100 Index Grading Securities Investment Fund	Domestic non state-owned legal person	0.72%	14,947,870	0		
BOC- E-fund Shenzhen Stock 100 ETF	Domestic non state-owned legal person	0.58%	12,102,219	0		
ICBC- Rongtong Shenzhen Stock 100 Index Securities Investment Funds	Domestic non state-owned legal person	0.58%	11,988,410	0		
Guotai Junan Securities (Hong Kong) Limited	Overseas legal person	0.51%	10,643,598	0		

Particulars about shares held by the top ten unrestricted shareholders			
Name of shareholder	Amount of unrestricted shares held	Share type and amount	
		Share type	Amount
China Northern Industries Corporation	75,167,934	A-share	75,167,934
Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	62,520,000	A-share	62,520,000
Shenzhen International Holdings (Shenzhen) Co., Ltd.	59,778,813	A-share	59,778,813
ICBC-Lion Stock Securities Investment Funds	27,607,605	A-share	27,607,605
ICBC- Lion Value Growth Stock Securities Investment Funds	20,000,000	A-share	20,000,000
BBH A/C Vanguard Emerging Markets Stock Index Fund	15,990,664	B-share	15,990,664
CMBC—Yinhua Shenzhen 100 Index Grading Securities Investment Fund	14,947,870	A-share	14,947,870
BOC- E-fund Shenzhen Stock 100 ETF	12,102,219	A-share	12,102,219
ICBC- Rongtong Shenzhen Stock 100 Index Securities Investment Funds	11,988,410	A-share	11,988,410
Guotai Junan Securities (Hong Kong) Limited	10,643,598	B-share	10,643,598
Statement on associated relationship or consistent action among the above shareholders:	Among shareholders as listed above, the 2 <sup>nd</sup> and the 3 <sup>rd</sup> shareholders are holding enterprises of Shenzhen International Holdings Co., Ltd.; the 4 <sup>th</sup> and the 5 <sup>th</sup> shareholders share the same fund management under Lion Fund Management Co., Ltd. Except for this, 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.		
Explanation on shareholders involving margin business (if applicable)	N/A		

Whether has a buy-back agreement dealing in reporting period

Yes  No

### III. Significant Events

#### (I) The situation and causes for the substantial changes of the main items in the accounting statements and financial indices

Unit:RMB0'000					
	Note	30 September 2013	31 December 2012	Increased/Dec reased amount	Rate
Cash at bank and on hand	(1)	66,493	47,442	19,051	40%
Notes receivable	(2)	51,833	29,980	21,853	73%
Advances to suppliers	(3)	10,977	7,001	3,976	57%
Other current asset	(4)	102,312	16,750	85,562	511%
Development expenditure	(5)	1,200	361	839	232%
Long-term prepaid expense	(6)	667	271	396	146%
Other non-current assets	(7)	1,211	5,186	-3,975	-77%
Short-term borrowings	(8)	244,429	168,805	75,624	45%
Notes payable	(9)	8,557	18,349	-9,792	-53%
Advances from customers	(10)	20,581	13,541	7,040	52%
Interest payable	(11)	16,193	3,509	12,684	361%
Other payables	(12)	79,936	16,597	63,339	382%
Long-term borrowings	(13)	33,978	71,111	-37,133	-52%
Other non-current liabilities	(14)	45,590	28,737	16,853	59%

	Note	From 1 January to 30 September 2013	From 1 January to 30 September 2012	Increased/Dec reased amount	Rate
Revenue	(15)	565,165	529,306	35,859	7%
Cost of sales	(16)	398,525	409,822	-11,297	-3%
Selling and distribution expenses	(17)	19,413	17,383	2,030	12%
General and administrative expenses	(18)	41,529	37,725	3,804	10%
Investment income	(19)	43	6,261	-6,218	-99%
Income tax expenses	(20)	19,812	9,499	10,313	109%

## Notes:

- (1) The increase of cash at bank and on hand was mainly due to the increase of bank savings.
- (2) The increase of notes receivable was mainly because part of the subsidiaries of the Company have an increased proportion in note collection.
- (3) The increase of advances to suppliers was mainly because amount paid in advance for purchasing equipment increased in the report period.
- (4) The increase of other current assets was mainly because the Company transferred shares of Shenzhen CSG Float Glass Co., Ltd., and adjusted the fixed assets, construction in progress and intangible assets into the non-current assets held for sales.
- (5) The increase of development expenditure was mainly because more qualified R&D expenses are collected in the item of development expenditure.
- (6) The increase of long-term prepaid expense was mainly due to the increased of mold expenses.
- (7) The decrease of other non-current assets was mainly because the share acquisition, prepaid at end of last year, was transfer-out due to the completion of ownership transfer in the year.
- (8) The increase of short-term borrowings was mainly because the 1.1 billion short-term financing bonds issued in the report period.
- (9) The decrease of notes payable was mainly because payment via bank acceptance reduced in the report period.
- (10) The increase of advances from customers was mainly due to increase of the advance from goods.
- (11) The increase of interest payable was mainly because the provision for bond interest payable in the report period has not been paid yet.
- (12) The increase of other payables was mainly because the Company received advance payment for subsidiary equity transfer.
- (13) The decrease of long-term borrowings was mainly because subsidiaries of the Company paid back the long-term borrowings.
- (14) The increase of other non-current liabilities mainly because subsidiaries of the Company received government subsidies.
- (15) The increase of revenue was mainly due to increase of sales volume as well as sales price for part of products comparing with the same period of last year.
- (16) The decrease of cost of sales was mainly because the Company implemented dropping cost & improving efficiency which made the production cost per unit declined.
- (17) The increase of selling and distribution expenses was mainly because expenses related to sales increased due to the sales increase in the report period.
- (18) The increase of general and administrative expenses was mainly because new subsidiaries set up and part of the subsidiaries came into commercial operation, which brought more staff remuneration, office expenses, taxes ect., at the same time the performance award for management was higher than same period of last year.
- (19) The decrease of investment income was mainly because the Company sold the equity of subsidiary at the same period of last year.
- (20) The increase of income tax expenses was mainly due to the increase of pre-tax profit comparing with the same period in last year.

**(II) The progress of material events and the analysis of the solutions**

Detail as bellow:

Overview	Disclosure date	Indexes of website for interim Notice
Expiration of repurchase certain domestic-listed foreign shares (B shares)	2013-08-06	The Notice (Notice No.: 2013-022) was published on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website ( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> )
The CSG transferred 19% equity of Shenzhen CSG Display Technology Co., Ltd. to Shenzhen Xingshi Investment Co., Ltd.	2013-08-21	The Notice (Notice No.: 2013-024) was published on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website ( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> )
The CSG planned to transfer 100% equity of Shenzhen CSG Float Glass Co., Ltd. to Jinshidai Investment Consultant (Shenzhen) Co., Ltd.	2013-09-28	The Notice (Notice No.: 2013-028) was published on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website ( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> )

### (III) Commitments of shareholders with over 5% of shares made in the report period or carried over from previous period

Commitments	Promisee	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.	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 (with former name of Yiwan Industrial Development (Shenzhen) Co., Ltd. ) 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.	2006-05-22	N/A	By the end of the report period, the above shareholders of the Company have strictly carried out their promises.
Commitments in report of acquisition or equity change					
Commitments in assets reorganization					
Commitments in initial public offering or re-financing					
Other commitments for medium and small shareholders					
Completed on time or not	Yes				
Detail reasons for un-complement and further plan	Not applicable				

**Board of Directors of  
CSG Holding Co., Ltd.  
22 October 2013**