

CSG HOLDING CO., LTD.

**THE THIRD QUARTER REPORT 2015**

(Excluding Financial Statement)



Chairman of the Board:  
ZENG NAN

October 2015

Stock Code: 000012; 200012;

Short Form of Stock: CSG A; CSG B;

Notice No.:2015-056

112022

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## **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 are present 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. Zhang Guoming hereby confirm the facticity, accuracy and completeness of the Financial Report in the Third Quarter Report of 2015.

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 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 )	15,234,992,227	15,116,808,305	0.78%	
Net assets attributable to shareholders of the Company (RMB )	7,707,197,092	8,348,561,765	-7.68%	
	Current period	Increase/Decrease in comparison with the same period of last year	From 1 January to 30 September 2015	Increase/decrease in comparison with the same period of 2014
Operating revenues (RMB )	2,054,090,445	8.90%	5,377,129,947	4.43%
Net profit attributable to shareholders of the Company (RMB )	188,302,026	27.16%	394,069,370	-46.55%
Net profit attributable to shareholders of the Company after deducting extraordinary gains and losses (RMB )	68,952,564	-47.22%	133,220,247	-64.34%
Net cash flows from operating activities (RMB )	--	--	681,145,888	-28.88%
Basic earnings per share (RMB/Share)	0.09	28.57%	0.19	-47.22%
Diluted earnings per share (RMB/Share)	0.09	28.57%	0.19	-47.22%
Weighted average ROE (%)	2.33%	0.51%	4.87%	-4.18%

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(RMB)	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	2,720,260	
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)	62,376,612	
Gains on disposal of available-for-sale financial assets, 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	56,839,648	
Other non-operating income and expenditure except for the aforementioned items	34,244,396	
Other item that satisfied the definition of non-recurring gains and losses	118,940,664	
Less: Impact on income tax	12,881,688	
Impact on minority shareholders' equity (post-tax)	1,390,769	
Total	260,849,123	--

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

Item	Amount involved (RMB)	Reasons
Other item that satisfied the definition of non-recurring gains and losses	100,146,152	Mainly because equity transfer of 73.58% of Yichang CSG photoelectric Glass Co., Ltd. had finished and investment income of RMB 100,079,340 was confirmed as well as income of RMB 66,812 gained from selling 51% equity of CSG (Australia) Limited.
	18,794,512	Mainly because the deferred income tax recognized for the previous period had been written off by the disposal of financial assets available-for-sale.

## II. Total of shareholders at the end of the report period and particulars about the shares held by 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		146,855				
Particulars about common 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 shares pledged/frozen	
					Share status	Amount
Foresea Life Insurance Co., Ltd. – Haili Niannian	Domestic non state-owned legal person	9.25%	192,058,738	0		
Foresea Life Insurance Co., Ltd. – universal insurance products	Domestic non state-owned legal person	3.92%	81,405,744	0		
China Northern Industries Corporation	State-owned legal person	3.62%	75,167,934	0		
Shenzhen Jushenghua Co., Ltd.	Domestic non state-owned legal person	2.87%	59,552,120	0		
Central Huijin Investment Ltd.	Domestic non state-owned corporate	1.92%	39,811,300	0		
Shenzhen International Holdings (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	1.78%	37,040,200	0		
Taifook Securities Company Limited-Account Client	Foreign legal person	1.66%	34,478,112	0		
Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	1.59%	33,059,899	0		
China Galaxy International Securities (H.K.) Co., Ltd.	Foreign legal person	1.41%	29,300,887	0		
Foresea Life Insurance Co., Ltd. –own fund	Domestic non state-owned legal person	1.33%	27,519,850	0		

Particular about top ten shareholders with un-restrict shares held			
Name of shareholder	Amount of un-restrict shares held	Type of shares	
		Type	Amount
Foresea Life Insurance Co., Ltd. – Haili Niannian	192,058,738	RMB ordinary shares	192,058,738
Foresea Life Insurance Co., Ltd. – universal insurance products	81,405,744	RMB ordinary shares	81,405,744
China Northern Industries Corporation	75,167,934	RMB ordinary shares	75,167,934
Shenzhen Jushenghua Co., Ltd.	59,552,120	RMB ordinary shares	59,552,120
Central Huijin Investment Ltd.	39,811,300	RMB ordinary shares	39,811,300
Shenzhen International Holdings (Shenzhen) Co., Ltd.	37,040,200	RMB ordinary shares	37,040,200
Taifook Securities Company Limited-Account Client	34,478,112	Domestically listed foreign shares	34,478,112
Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	33,059,899	RMB ordinary shares	33,059,899
China Galaxy International Securities (H.K.) Co., Ltd.	29,300,887	Domestically listed foreign shares	29,300,887
Foresea Life Insurance Co., Ltd. –own fund	27,519,850	RMB ordinary shares	27,519,850
Explanation on associated relationship among the aforesaid shareholders	<p>Among shareholders as listed above, Foresea Life Insurance Co., Ltd.-Haili Niannian, Foresea Life Insurance Co., Ltd.-universal insurance products, Foresea Life Insurance Co., Ltd.-own fund are all held by Foresea Life Insurance Co., Ltd. Shenzhen Jushenghua Co., Ltd. and Chengtai Group Co., Ltd. are the persons acting in concert of Foresea Life Insurance Co., Ltd. Chengtai Group Co. Ltd. held 27,625,299 shares via China Galaxy International Securities (H.K.) Co., Ltd.</p> <p>Shenzhen International Holdings (Shenzhen) Co., Ltd. and Xin Tong Chan Development (Shenzhen) Co., Ltd. are holding enterprises and belong to controlling enterprise of Shenzhen International Holdings Co., Ltd.</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 associated relationship among the aforesaid shareholders	<p>The Company's shareholder, Shenzhen Jushenghua Co., Ltd., held 59,552,120 shares in total with 0 share in its general account and 59,552,120 shares via the client credit trading guarantee account of China Galaxy Securities Co., Ltd.</p>		

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 indexes

√Applicable    □ Not applicable

Unit: RMB

Items of balance sheet	Note	30 September 2015	31 December 2014	Increased/Decreased amount	Rate
Note receivable	(1)	241,229,536	155,588,629	85,640,907	55%
Account receivable	(2)	643,932,212	318,274,574	325,657,638	102%
prepayment	(3)	164,647,596	84,231,553	80,416,043	95%
Other account receivable	(4)	121,285,992	25,973,156	95,312,836	367%
Other current assets	(5)	131,283,538	219,908,717	-88,625,179	-40%
Long-term account receivable	(6)	50,104,299	-	50,104,299	-
Note payable	(7)	15,000,000	3,500,000	11,500,000	329%
Interest payable	(8)	138,732,095	74,556,982	64,175,113	86%
Non-current liability due within one year	(9)	1,245,273,861	2,119,066,755	-873,792,894	-41%
Long-term borrowings	(10)	1,248,500,000	383,817,820	864,682,180	225%
Bond payable	(11)	1,000,000,000	--	1,000,000,000	--
Items of profit statement	Note	From 1 January to 30 September 2015	From 1 January to 30 September 2014	Increased/Decreased amount	Rate
Assets impairment loss	(12)	-7,953,154	-5,040,597	-2,912,557	58%
Investment gains	(13)	141,088,467	324,518,883	-183,430,416	-57%
Income tax expenses	(14)	-30,518,083	-87,445,381	56,927,298	-65%

Note:

(1) The increase of note receivable was mainly because some subsidiaries changed collection methods in the report period.

(2) The increase of account receivable was mainly because the account receivable of Wujiang Float Glass and Yichang Polysilicon Company increased after turning into commercial operation, meanwhile the account receivable of Architectural Glass Industry increased as well.

(3) The increase of prepayment was mainly because the prepayment for equipment in some subsidiaries increased in the report period.

(4) The increase of other account receivable was mainly because the consolidation scope changed resulting from the equity transfer of Yichang Photoelectric Company, therefore the original internal current account was transferred into other account receivable.

- (5) The decrease of other current assets was mainly because the consolidation scope changed resulting from the equity transfer of Yichang Photoelectric, and some subsidiaries' VAT which need to be deducted decreased.
- (6) The increase of long-term account receivable was mainly because the financing lease fund lent to Shenzhen Display Company increased.
- (7) The increase of note payable was mainly because new notes increased slightly in the report period and the previous balance was lower.
- (8) The increase of interest payable was mainly because the undue interest payable for corporate bonds had not been paid.
- (9) The decrease of non-current liability due within one year was mainly because no investor chose to sell back the one-billion corporate bonds which attached the option for the investor selling back to the Company, and therefore it was listed in the items of bonds payable.
- (10) The increase of long-term borrowings was mainly due to debt restructuring.
- (11) The increase of bond payable was mainly because no investor chose to sell back the one-billion corporate bonds which attached the option for the investor selling back to the Company, and therefore it was listed in the items of bonds payable.
- (12) The increase of assets impairment loss was mainly because the consolidation scope changed resulting from equity transfer of Yichang Photoelectric Company, the original internal current account was transferred into other account receivable and reserved provisions for bad debts accordingly on the basis of accounting standards.
- (13) The decrease of investment gains was mainly because the gains from equity transfer of Yichang Photoelectric Company were less than that of Shenzhen Float Glass, which was transferred last year.
- (14) The decrease of income tax expenses was mainly because earnings declined in the report period, and the deferred income tax recognized for the previous period had been written off by the disposal of financial assets available-for-sale.

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

Applicable    Not applicable

### 1. Short-term Financing Bills

On 6 August 2012, the First Extraordinary Shareholders' General Meeting 2012 of CSG Holding Co., Ltd deliberated and approved the proposal of short-term financing bills offering with application of short-term financing bills within RMB 2.2 billion limit. On 11 January 2013, National Association of Financial market Institutional Investors (NAFMII) held its 1st 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 until January 25, 2015. China Merchants Bank Co., Ltd, and Shanghai Pudong Development Bank 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 7 March 2013, the Company issued the 1st batch of short-term financing bills with a total amount of RMB 1.1 billion and deadline of one year, and the redemption was completed on 6 March 2014. On 27 June 2014, the Company continued to issue the 2nd batch of short-term financing bills for the year with a total amount of RMB 700 million and annual interest rate of 5.10%, and the redemption was completed on 27 June 2015. On 25 August 2014, the Company continued to issue the 3rd batch of short-term financing bills for the year with a total amount of RMB 400 million and annual interest rate of 5.10%, and the redemption was completed on 25 August 2015.

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 with application of 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 deadline of one year, which was redeemed on 16 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%, and the expiry date is 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%, and the expiry date is 17 September 2016.

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

## 2. Corporate bonds

As approved by the Company in the second extraordinary general meeting for 2009, the Company issued corporate bonds amounting to RMB2 billion on 20 October 2010. This batch of bonds was divided into two groups, with maturity terms being 5 years and 7 years respectively. For the bonds with maturity term of 5 years, the issuance amount was RMB1 billion; and for those of 7 years, the issuance amount was RMB1 billion also. Besides, the bonds were attached with the option of issuer to raise additional coupon rate and the put option of investor. The corporate bonds were listed for trading on Shenzhen Stock Exchange on 10 November 2010, with annual interest rate of 5.33% which remained constant for the first 5 years during the duration period. The abbreviation of the bonds with 5 years term was ‘10CSG01’, with stock code of 112021; and the abbreviation of the bonds with 7 years term was ‘10CSG02’, with stock code of 112022. The trading termination dates were 20 October 2015 and 20 October 2017 respectively (the final announcement issued by the Company shall prevail). For details, please refer to the Result Announcement Concerning Issuance of Corporate Bonds in 2010 disclosed at China Securities Journal, Securities Times, Hong Kong Commercial Daily and [www.cninfo.com.cn](http://www.cninfo.com.cn) on 26 October 2010.

According to the tracking rating conducted by CCXR in 2015, the credit rating of the Company’s main body was AA+, with outlook of stable. The credit rating of the aforementioned bonds was AA+. The Company has paid the interests of the bonds for four interest accrual periods on 20 October 2011, 22 October 2012, 21 October 2013 and 20 October 2014.

According to the clauses of “10CSG02” sell-back option for investors in the “Public Announcement on Listing of Corporate Bonds of CSG”, the Company issued “Notice of Adjusting the Coupon Rate for Corporate Bonds “10CSG02” and Sell-back Implementation for Investors” (Notice No.: 2015-047) on 15 September 2015, and issued the first and second indicative notices for the implementation respectively on 17 September 2015 and 21 September 2015 (Notice No.: 2015-048, Notice No.: 2015-049). The Company decided not to raise the coupon rate at the end of the fifth year in the duration of the corporation bonds. That is the annual interest rate of the bonds is still 5.33% in the next 2 years during the bonds duration. Investors can sell back “10CSG02”, in whole or in part, to the Company in the declaration date for sell-back (from 15 September 2015 to 21 September 2015), and the sell-back price was RMB100 per piece. According to the sell-back declaration data provided by Shenzhen Branch of CSDCC, the valid amount of sell-back declaration for “10CSG02” was 0, the sell-back amount was RMB 0 and the remaining trust bonds were 10,000,000 pieces. The Company paid the interests of the bonds for the period from 20 October 2014 to 19 October 2015 on 20 October 2015.

According to relevant clauses of the “Prospectus of Public Offering Corporate Bonds of CSG” and the “Public Announcement on Listing of Corporate Bonds of CSG”, the bond “10CSG01” matured on 20 October 2015, and terminated in the dealing system of Shenzhen Stock Exchange on 16 October 2015. The Company paid the principal and interest of the bonds for the period from 20 October 2014 to 19 October 2015 on 20 October 2015.

## 3. Details of other events as follow:

Overview	Disclosure date	Indexes of website for interim Notice
The wholly-owned subsidiary Shenzhen CSG Financing Lease Co., Ltd. carried out financing lease business towards the affiliated company	2015-7-7	The Notice (Notice No.: 2015-040) was published on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website

Yichang Display Device		(www.cninfo.com.cn)
The application of non-public offering of A-share was accepted by China Securities Regulatory Commission	2015-8-18	The Notice (Notice No.: 2015-046) was published on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn)
Established a wholly-owned subsidiary Shenzhen CSG PV Energy Co., Ltd.	2015-9-29	The Notice (Notice No.: 2015-052) was published on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn)

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

√ Applicable   □ Not applicable

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 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 carried out their promises.
Commitments in report of acquisition or equity change	Foresea Life Insurance Co., Ltd, Shenzhen	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	2015-6-29	During the period when Foresea	By the end of the report period, the above

	Jushenghua Co., Ltd and Chengtai Group Co., Ltd.	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, they made commitment on regularizing related transaction and avoiding industry competition.		Life remains the largest shareholder of the Company	shareholders of the Company had strictly carried out their promises.
Commitments in assets reorganization					
Commitments in initial public offering or re-financing					
Other commitments for medium and small shareholders	Foresea Life Insurance Co., Ltd. and China Northern Industries Corporation	The major shareholders of the Company Foresea Life Insurance Co., Ltd. and China Northern Industries Corporation committed that they would never reduce shares of the Company they held in the later six months since 15 July 2015.	2015-07-15	The later six months since 15 July 2015	By the end of the report period, the above shareholders of the Company had strictly carried out their promises.
Completed on time or not	Yes				
Detailed reasons for un-complement and further plan	Not applicable				

#### IV. Prediction of business performance of 2015

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. Statement on holding shares of other listed company

Applicable  Not applicable

The Company holds 6,037,193 shares of Golden Glass and has 2.80% voting rights. Directors and key managers of Golden Glass are

not appointed by the Company, the Company doesn't participate or impact finance and operation decision-making or routine operation activities of Golden Glass in other way, thus, the Company shows no major influence on Golden Glass, so the shares held by the Company are calculated as equity instrument available for sale.

During the report period, the shares of Golden Glass held by the Company had no change.

## **VII. Derivatives investment**

Applicable  Not applicable

The Company had no derivatives investment in the report period.

## **VIII. Reception of research, communication and interview in the report period**

Applicable  Not applicable

There was no reception of research, communication or interview in the report period.

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

Applicable  Not applicable

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

## **X. Particulars about non-operating fund of listed company occupied by the largest shareholder and its affiliated enterprises**

Applicable  Not applicable

It did not exist that non-operating fund of listed company was occupied by the largest shareholder and its affiliated enterprises in the report period.

**Board of Directors of**

**CSG Holding Co., Ltd.**

**28 October 2015**