
CSG HOLDING CO., LTD.

THE THIRD QUARTER REPORT 2017



Chairman of the Board:
CHEN LIN

October 2017

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 the meeting of the Board for deliberating the Third Quarter Report of 2017 of the Company in person.

Ms. Chen Lin, Chairman of the Board, Mr. Pan Yonghong, responsible person in charge of accounting and Ms. Wang Wenxin, principal of the financial department (accounting officer) confirm that the Financial Report enclosed in the Third Quarter Report of 2017 of the Company 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 Information of the Company

I. Main accounting data and financial indices

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

Yes No

	The end of current period	The end of last year	Increase/decrease in comparison with the end of last year	
Total assets (RMB)	18,913,831,052.00	16,979,235,630.00	11.39%	
Net assets attributable to shareholders of the Company (RMB)	8,345,605,690.00	7,812,335,004.00	6.83%	
	Current period	Increase/decrease in comparison with the same period of last year	From 1 January to 30 September 2017	Increase/decrease in comparison with the same period of 2016
Operating revenues (RMB)	2,846,570,536.00	24.09%	7,790,908,397.00	19.45%
Net profit attributable to shareholders of the Company (RMB)	318,019,208.00	28.23%	711,011,371.00	-0.54%
Net profit attributable to shareholders of the Company after deducting extraordinary gains and losses (RMB)	278,181,102.00	25.57%	639,126,346.00	-0.92%
Net cash flows from operating activities (RMB)	--	--	1,788,098,692.00	12.30%
Basic earnings per share (RMB/Share)	0.15	25.00%	0.33	-2.94%
Diluted earnings per share (RMB/Share)	0.15	25.00%	0.33	-2.94%
Weighted average ROE (%)	3.91%	0.79%	8.74%	-0.25%

Items and amounts of extraordinary profit (gains)/loss

Applicable Not applicable

Unit: RMB

Item	Amount from the beginning of year to the end of the report period	Note

Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	243,956.00	
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)	53,962,640.00	
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	427,636.00	
Other non-operating income and expenditure except for the aforementioned items	31,651,965.00	
Less: Impact on income tax	12,997,490.00	
Impact on minority shareholders' equity (post-tax)	1,403,682.00	
Total	71,885,025.00	--

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)
Gains on disposal of available-for-sale financial assets	427,636.00

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

1. Particulars about the total number of common shareholders and preference shareholders with voting rights recovered as well as the shareholdings of the top ten shareholders

Unit: Share

Total number of common shareholders at the end of the report period	160,427	Total number of preference shareholders with voting rights recovered at end of report period (if applicable)	0			
Particulars about the shareholdings of the top ten shareholders						
Name of shareholder	Nature of shareholder	Proportion of shares held (%)	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					Share status	Amount
Foresea Life Insurance Co., Ltd. – Haili Niannian	Domestic non state-owned legal	15.45%	368,685,276	0		

	person					
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	Domestic non state-owned legal person	3.92%	93,616,606	0		
Shenzhen Jushenghua Co., Ltd.	Domestic non state-owned legal person	2.87%	68,484,938	0	Pledged	68,484,915
Foresea Life Insurance Co., Ltd. – Own Fund	Domestic non state-owned legal person	2.15%	51,197,756	0		
Central Huijin Asset Management Ltd.	State-owned legal person	1.92%	45,782,995	0		
China Galaxy International Securities (Hong Kong) Co., Limited	Foreign legal person	1.35%	32,176,044	0		
China Merchants Securities (HK) Co., Limited	State-owned legal person	1.09%	26,108,208	0		
China North Industries Corporation	State-owned legal person	0.99%	23,600,000	0		
Shenzhen International Holdings (SZ) Limited	Domestic non state-owned legal person	0.96%	23,000,000	0		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.64%	15,272,911	0		

Particulars about top ten shareholders with unrestricted shares held

Name of shareholder	Amount of unrestricted shares held	Type of shares	
		Type	Amount
Foresea Life Insurance Co., Ltd. – Haili Niannian	368,685,276	RMB ordinary shares	368,685,276
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	93,616,606	RMB ordinary shares	93,616,606
Shenzhen Jushenghua Co., Ltd.	68,484,938	RMB ordinary shares	68,484,938
Foresea Life Insurance Co., Ltd. – Own Fund	51,197,756	RMB ordinary shares	51,197,756
Central Huijin Asset Management Ltd.	45,782,995	RMB ordinary shares	45,782,995
China Galaxy International Securities (Hong Kong) Co., Limited	32,176,044	Domestically listed foreign shares	32,176,044
China Merchants Securities (HK) Co., Limited	26,108,208	Domestically listed foreign shares	26,108,208
China North Industries Corporation	23,600,000	RMB ordinary shares	23,600,000
Shenzhen International Holdings (SZ) Limited	23,000,000	RMB ordinary shares	23,000,000

BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	15,272,911	Domestically listed foreign shares	15,272,911
Statement on associated relationship or consistent action among the above 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. 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 31,769,094 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>		

Whether the top ten shareholders or top ten shareholders with unrestricted shares carried out buy back deals in the report period

Yes No

There were no buy back deals carried out by the top ten shareholders or top ten shareholders with unrestricted shares held in the report period.

2. Total number of preference shareholders and particulars about the shareholdings of the top ten preference 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

Item of balance sheet	Note	30 September 2017	31 December 2016	Increased/Decreased amount	Rate
Monetary capital	(1)	1,813,992,086	586,803,505	1,227,188,581	209%
Prepayments	(2)	136,813,682	95,733,132	41,080,550	43%
Other receivables	(3)	44,597,554	33,229,149	11,368,405	34%
Inventories	(4)	699,223,499	477,780,925	221,442,574	46%
Long-term deferred expenses	(5)	11,385,720	975,660	10,410,060	1067%
Notes payable	(6)	177,701,622	20,000,000	157,701,622	789%
Advance payment	(7)	237,939,772	142,330,979	95,608,793	67%
Other payables	(8)	477,515,523	188,321,450	289,194,073	154%
Long-term payables	(9)	1,272,296,270	-	1,272,296,270	-
Special reserve	(10)	3,206,127	5,843,473	(2,637,346)	-45%
Other comprehensive income	(11)	2,707,049	4,653,971	(1,946,922)	-42%
Item of income statement	Note	From January to September 2017	From January to September 2016	Increased/Decreased amount	Rate
Taxes and surcharges	(12)	(93,649,001)	(39,641,644)	(54,007,357)	136%
Assets impairment loss	(13)	(2,971,645)	(2,012,347)	(959,298)	48%
Investment income	(14)	427,638	(14,264,359)	14,691,997	-
Other income	(15)	24,459,278	-	24,459,278	-
Non-operating expenses	(16)	(1,877,014)	(778,905)	(1,098,109)	141%
Minority interests	(17)	10,810,974	3,760,892	7,050,082	187%

Note:

- (1) The increase in monetary capital was mainly due to increasing monetary capital for repayment of debts.
- (2) The increase in prepayments was mainly due to the increase in prepaid materials.
- (3) The increase in other receivables was mainly attributable to the increase in margin receivable.
- (4) Inventories increased mainly because Hebei CSG was transferred to commercial operation and the stocking increased.

- (5) The increase in long-term deferred expenses was mainly due to the increase in financial leasing fee to be amortized for the current period and the lower balance of the previous period.
- (6) The increase in notes payable was mainly due to the increase in the newly opened bills and the lower balance of the previous period.
- (7) The increase in advance payment was mainly due to the increase in advances from customers.
- (8) The increase in other payables was mainly attributable to the increase in interestless borrowings from shareholders.
- (9) The increase in long-term payables was mainly due to the increase in the amount of financial lease payments.
- (10) The decrease of special reserve was mainly due to the increase of input in safety production.
- (11) The decrease in other comprehensive income was mainly due to the decrease in the translation of foreign currency statements.
- (12) Taxes and surcharges increased mainly because the "management fee - tax" subject was reclassified to the "tax and surcharges" subject in the current period.
- (13) The increase in assets impairment loss was mainly due to the increase in accounts receivable.
- (14) The increase in investment income was mainly attributable to the use of cost method by Shenzhen Display, a subsidiary of the Company, which was accounted for using equity method in the previous period.
- (15) The increase in other income was mainly attributable to the reclassification of non-operating income by accounting standards.
- (16) The increase in non-operating expenses was mainly due to the slight increase in the current period and the lower balance of the previous period.
- (17) The increase in minority interests was mainly due to the increase in net profit for the current period.

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

Applicable Not applicable

1. Public Issuance of Corporate Bonds to Qualified Investors

On Feb. 13, 2017, the interim meeting of the 7th session of the board of directors of the Company deliberated and approved the *Proposal on Public Issuance of Corporate Bonds to Qualified Investors*. The Company proposed to issue corporate bonds to qualified investors with the total face value no more than RMB 2 billion (including RMB 2 billion), and the valid period no more than 10 years (including 10 years). This proposal was deliberated and approved by the Second Extraordinary Shareholders' General Meeting held on Mar. 2, 2017.

For details, please refer to the *Announcement on Public Issuance of Corporate Bonds* disclosed on Feb. 14, 2016 (Announcement No.: 2017-011).

2. Short-term Financing Bills

On Dec. 14, 2016, the second extraordinary shareholders' general meeting of 2016 of CSG deliberated and approved the proposal of the offering and registration of short-term financing bills, and agreed the Company's registration and issuance of short-term financing bills with a total amount of RMB 2.7 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. However, the term of each issue shall not be longer than one year and the registered quota shall not exceed 40 percent of the Company's net assets.

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

3. 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 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 10 July 2015, the Company issued the first batch of medium term notes with 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 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 May 22, 2017, the Shareholders' General Meeting of 2016 of CSG deliberated and approved the proposal of application for registration and issuance of medium term notes with total amount of RMB 1 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.

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

III. Commitments made by the actual controller, the shareholders, the related parties, the purchasers and the Company which failed to be fulfilled in time during the report period

Applicable Not applicable

There were no commitments made by the actual controller, the shareholders, the related parties, the purchasers or the Company which failed to be fulfilled in time during the report period.

IV. Prediction of business performance of 2017

Alert of loss or significant change in accumulative net profit from the beginning of year to the end of the next report period or compared with the same period of last year, and statement of causations.

Applicable Not applicable

V. Securities investment

Applicable Not applicable

The Company had no securities investment in the report period.

VI. Derivatives investment

Applicable Not applicable

The Company had no derivatives investment in the report period.

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

Applicable Not applicable

The Company had no reception of research, communication or interview in the report period.

VIII. Particulars about illegal external guarantee

Applicable Not applicable

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

IX. Particulars about non-operating fund of listed company which is occupied by controlling shareholder and its affiliated enterprises

Applicable Not applicable

In the report period, it did not exist that non-operating fund of listed company was occupied by controlling shareholder or its affiliated enterprises.

X. Performance of social responsibility for targeted poverty alleviation

There was no targeted poverty alleviation carried out in the third quarter of the year.

Section IV. Financial Report

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

Unit: RMB

Item	Ending balance	Beginning balance
Current asset:		
Monetary capital	1,813,992,086.00	586,803,505.00
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	451,639,877.00	456,347,237.00
Account receivable	758,405,366.00	627,985,983.00
Prepayment	136,813,682.00	95,733,132.00
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other receivables	44,597,554.00	33,229,149.00
Repurchasing of financial assets		
Inventories	699,223,499.00	477,780,925.00
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	252,885,021.00	199,905,577.00
Total of current asset	4,157,557,085.00	2,477,785,508.00
Non-current assets		
Loans and payment on other's behalf disbursed		

Available-for-sale financial asset		
Expired investment in possess		
Long-term receivables		
Long-term equity investment		
Investment real estates		
Fixed assets	11,780,940,567.00	11,457,972,991.00
Construction in process	1,308,381,089.00	1,362,096,377.00
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,041,511,092.00	1,032,458,977.00
Development expenditure	54,651,376.00	66,927,714.00
Goodwill	397,392,156.00	397,392,156.00
Long-term prepaid expenses	11,385,720.00	975,660.00
Differed income tax asset	81,175,884.00	96,451,854.00
Other non-current asset	80,836,083.00	87,174,393.00
Total of non-current assets	14,756,273,967.00	14,501,450,122.00
Total of assets	18,913,831,052.00	16,979,235,630.00
Current liabilities		
Short-term loans	2,923,324,500.00	4,017,869,662.00
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into		
Derivative financial liabilities		
Notes payable	177,701,622.00	20,000,000.00
Accounts payable	1,366,106,933.00	1,169,869,370.00
Prepayment received	237,939,772.00	142,330,979.00
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	194,979,060.00	193,372,239.00
Tax payable	118,978,726.00	115,592,616.00

Interest payable	68,055,118.00	78,225,904.00
Dividend payable		
Other payables	477,515,523.00	188,321,450.00
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liabilities due within one year	1,246,512,613.00	1,029,340,000.00
Other current liability	300,000.00	300,000.00
Total of current liability	6,811,413,867.00	6,955,222,220.00
Non-current liabilities		
Long-term borrowings	1,734,120,000.00	1,438,660,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	1,272,296,270.00	
Long-term payable employees' remuneration		
Special payable		
Anticipated liabilities		
Differed income	398,223,071.00	422,993,254.00
Differed income tax liability	23,502,507.00	29,749,137.00
Other non-recurring liabilities		
Total of non-current liabilities	3,428,141,848.00	1,891,402,391.00
Total of liability	10,239,555,715.00	8,846,624,611.00
Owners' equity		
Share capital	2,386,635,893.00	2,075,335,560.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	983,779,003.00	1,260,702,197.00
Less: Shares in stock		
Other comprehensive income	2,707,049.00	4,653,971.00

Special reserves	3,206,127.00	5,843,473.00
Surplus reserves	888,850,230.00	888,850,230.00
Common risk provision		
Undistributed profit	4,080,427,388.00	3,576,949,573.00
Total of owner's equity belong to the parent company	8,345,605,690.00	7,812,335,004.00
Minor shareholders' equity	328,669,647.00	320,276,015.00
Total of owners' equity	8,674,275,337.00	8,132,611,019.00
Total of liability and owners' equity	18,913,831,052.00	16,979,235,630.00

Legal representative: Chen Lin Principal in charge of accounting: Pan Yonghong Head of accounting department: Wang Wenxin

2. Balance Sheet of the Parent Company

Unit: RMB

Item	Ending balance	Beginning balance
Current asset:		
Monetary capital	1,148,643,424.00	302,841,481.00
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable		
Prepayment	118,166.00	16,880.00
Interest receivable		
Dividend receivable		
Other receivables	2,692,358,457.00	3,863,121,029.00
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current asset	3,841,120,047.00	4,165,979,390.00
Non-current assets		
Available-for-sale financial asset		

Expired investment in possess		
Long-term receivables	2,003,645,000.00	2,003,645,000.00
Long-term equity investment	4,790,440,632.00	4,790,440,632.00
Investment real estates		
Fixed assets	23,269,424.00	26,073,848.00
Construction in process		
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,054,769.00	1,393,454.00
Development expenditure		
Goodwill		
Long-term prepaid expenses		
Differed income tax asset		
Other non-current asset	1,023,096.00	
Total of non-current assets	6,819,432,921.00	6,821,552,934.00
Total of assets	10,660,552,968.00	10,987,532,324.00
Current liabilities		
Short-term loans	1,900,000,000.00	3,495,163,044.00
Financial liabilities measured at fair value with variations accounted into		
Derivative financial liabilities		
Notes payable		
Accounts payable	34,528.00	317,874.00
Prepayment received		
Employees' wage payable	42,549,933.00	18,380,010.00
Tax payable	1,917,636.00	1,804,568.00
Interest payable	11,481,863.00	3,794,646.00
Dividend payable		
Other account payable	1,740,089,791.00	240,593,894.00
Liabilities held for sales		
Non-current liabilities due within one year	1,000,000,000.00	1,000,000,000.00
Other current liability		

Total of current liability	4,696,073,751.00	4,760,054,036.00
Non-current liabilities		
Long-term borrowings	1,380,000,000.00	1,380,000,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees' remuneration		
Special payable		
Anticipated liabilities		
Differed income	15,903,470.00	12,035,040.00
Differed income tax liability		
Other non-recurring liabilities		
Total of non-current liabilities	1,395,903,470.00	1,392,035,040.00
Total of liability	6,091,977,221.00	6,152,089,076.00
Owners' equity		
Share capital	2,386,635,893.00	2,075,335,560.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,128,495,950.00	1,405,529,511.00
Less: Shares in stock		
Other comprehensive income		
Special reserves		
Surplus reserves	903,395,590.00	903,395,590.00
Undistributed profit	150,048,314.00	451,182,587.00
Total of owners' equity	4,568,575,747.00	4,835,443,248.00
Total of liability and owners' equity	10,660,552,968.00	10,987,532,324.00

3. Consolidated Income Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	2,846,570,536.00	2,293,975,948.00

Incl. Business income	2,846,570,536.00	2,293,975,948.00
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,513,603,071.00	2,028,376,616.00
Incl. Business cost	2,091,578,265.00	1,653,218,094.00
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Tax and surcharges	31,903,226.00	16,256,972.00
Sales expense	87,244,775.00	75,980,642.00
Administrative expense	210,018,993.00	205,673,948.00
Financial expenses	90,994,862.00	74,309,241.00
Asset impairment loss	1,862,950.00	2,937,719.00
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	427,638.00	
Incl. Investment gains from affiliates		
Exchange gains (“-“ for loss)		
Other gains	785,044.00	
III. Operating profit (“-“ for loss)	334,180,147.00	265,599,332.00
Plus: non-operating income	48,031,745.00	32,054,790.00
Incl. Income from disposal of non-current assets	325,119.00	1,168,444.00
Less: non-operating expenses	1,144,422.00	117,277.00
Incl. Loss from disposal of non-current assets	9,407.00	52,978.00
IV. Gross profit (“-“ for loss)	381,067,470.00	297,536,845.00
Less: Income tax expenses	59,459,173.00	44,177,962.00
V. Net profit (“-“ for net loss)	321,608,297.00	253,358,883.00
Net profit attributable to the owners of	318,019,208.00	248,016,059.00

parent company		
Minor shareholders' equity	3,589,089.00	5,342,824.00
VI. Net amount of other gains after tax	-870,658.00	197,502.00
Net amount of other gains after tax attributable to owners of parent company	-870,658.00	197,502.00
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period	-870,658.00	197,502.00
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements	-870,658.00	197,502.00
6. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total of misc. incomes	320,737,639.00	253,556,385.00
Total of misc. incomes attributable to the owners of the parent company	317,148,550.00	248,213,561.00
Total misc gains attributable to the	3,589,089.00	5,342,824.00

minor shareholders		
VIII. Earnings per share:		
(I) Basic earnings per share	0.15	0.12
(II) Diluted earnings per share	0.15	0.12

Legal representative: Chen Lin Principal in charge of accounting: Pan Yonghong Head of accounting department: Wang Wenxin

4. Income Statement of the Parent Company

Unit: RMB

Item	Balance of this period	Balance of last period
I. Revenue	15,038,839.00	8,473,838.00
Less: business cost		
Tax and surcharges	131,076.00	
Sales expense		
Administrative expense	22,633,169.00	33,376,309.00
Financial expenses	20,017,263.00	4,164,111.00
Asset impairment loss	78,215.00	1,429.00
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	2,011,500.00	5,806,369.00
Incl. Investment gains from affiliates		
Other gains		
II. Operating profit (“-“ for loss)	-25,809,384.00	-23,261,642.00
Plus: non-operating income	402,190.00	433,427.00
Incl. Income from disposal of non-current assets		720.00
Less: non-operating expenses	816,000.00	
Incl. Loss from disposal of non-current assets		
III. Gross profit (“-“ for loss)	-26,223,194.00	-22,828,215.00
Less: Income tax expenses		
IV. Net profit (“-“ for net loss)	-26,223,194.00	-22,828,215.00
V. Net amount of other gains after tax		
(I) Other comprehensive income that will not be reclassified into gains/losses		

afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period		
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements		
6. Other		
VI. Total of comprehensive income	-26,223,194.00	-22,828,215.00
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated income statement for Jan.-Sept. 2017

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	7,790,908,397.00	6,522,141,590.00
Incl. Business income	7,790,908,397.00	6,522,141,590.00
Interest income		
Insurance fee earned		
Fee and commission received		

II. Total business cost	7,016,245,101.00	5,748,510,149.00
Incl. Business cost	5,829,092,727.00	4,730,036,597.00
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Tax and surcharges	93,649,001.00	39,641,644.00
Sales expense	243,589,506.00	204,545,473.00
Administrative expense	612,573,333.00	564,611,454.00
Financial expenses	234,368,889.00	207,662,634.00
Asset impairment loss	2,971,645.00	2,012,347.00
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	427,638.00	-14,264,359.00
Incl. Investment gains from affiliates		-14,264,359.00
Exchange gains (“-“ for loss)		
Other gains	24,459,278.00	
III. Operating profit (“-“ for loss)	799,550,212.00	759,367,082.00
Plus: non-operating income	64,061,341.00	82,093,154.00
Incl. Income from disposal of non-current assets	382,853.00	1,417,086.00
Less: non-operating expenses	1,877,014.00	778,905.00
Incl. Loss from disposal of non-current assets	138,897.00	72,962.00
IV. Gross profit (“-“ for loss)	861,734,539.00	840,681,331.00
Less: Income tax expenses	139,912,194.00	122,021,126.00
V. Net profit (“-“ for net loss)	721,822,345.00	718,660,205.00
Net profit attributable to the owners of parent company	711,011,371.00	714,899,313.00
Minor shareholders' equity	10,810,974.00	3,760,892.00
VI. Net amount of other comprehensive income after tax	-1,946,922.00	705,555.00

Net amount of other gains after tax attributable to owners of parent company	-1,946,922.00	705,555.00
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period	-1,946,922.00	705,555.00
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements	-1,946,922.00	705,555.00
6. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total of comprehensive income	719,875,423.00	719,365,760.00
Total of misc. incomes attributable to the owners of the parent company	709,064,449.00	715,604,868.00
Total misc gains attributable to the minor shareholders	10,810,974.00	3,760,892.00
VIII. Earnings per share:		
(I) Basic earnings per share	0.33	0.34

(II) Diluted earnings per share	0.33	0.34
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6. Income statement of the Parent Company for Jan.-Sept. 2017

Unit: RMB

Item	Balance of this period	Balance of last period
I. Revenue	42,334,105.00	9,551,232.00
Less: business cost	0.00	60,334.00
Tax and surcharges	5,268,020.00	
Sales expense		
Administrative expense	93,173,393.00	95,283,586.00
Financial expenses	39,817,558.00	15,427,933.00
Asset impairment loss	85,921.00	-1,768,813.00
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	2,011,500.00	405,086,976.00
Incl. Investment gains from affiliates		
Other gains	18,000.00	
II. Operating profit (“-“ for loss)	-93,981,287.00	305,635,168.00
Plus: non-operating income	1,196,570.00	1,199,607.00
Incl. Income from disposal of non-current assets		2,520.00
Less: non-operating expenses	816,000.00	
Incl. Loss from disposal of non-current assets		
III. Gross profit (“-“ for loss)	-93,600,717.00	306,834,775.00
Less: Income tax expenses		-45,852.00
IV. Net profit (“-“ for net loss)	-93,600,717.00	306,880,627.00
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income that will not be reclassified into gains/losses afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of comprehensive income in invested entities under equity		

method which can not be reclassified into profit or loss		
(II) Other comprehensive income items that will be reclassified into gains/losses in the subsequent accounting period		
1. The share of comprehensive income in invested entities under equity method which can be reclassified into profit or loss afterward		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements		
6. Other		
VI. Total of comprehensive income	-93,600,717.00	306,880,627.00
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7. Consolidated Cash Flow Statement for Jan.-Sept. 2017

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	8,716,345,821.00	7,467,528,727.00
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		

Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of disposal of the financial assets measured by fair value with the changes included in the current gains and losses		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	13,944,024.00	40,275,710.00
Other cash received from business operation	104,334,381.00	68,764,580.00
Sub-total of cash inflow from business activities	8,834,624,226.00	7,576,569,017.00
Cash paid for purchasing of merchandise and services	5,170,500,238.00	4,361,925,084.00
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	903,582,623.00	798,870,174.00
Taxes paid	560,097,169.00	480,049,004.00
Other cash paid for business activities	412,345,504.00	343,525,795.00
Sub-total of cash outflow from business activities	7,046,525,534.00	5,984,370,057.00
Net cash flow generated by business operation	1,788,098,692.00	1,592,198,960.00
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment profit		

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,524,109.00	2,390,680.00
Net cash received from disposal of subsidiaries or other operational units		150,000,000.00
Other investment-related cash received	25,793,594.00	40,170,833.00
Sub-total of cash inflow due to investment activities	27,317,703.00	192,561,513.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,059,799,002.00	804,655,768.00
Cash paid as investment		4,250,000.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		507,974,099.00
Other cash paid for investment activities	36,752,523.00	24,021,775.00
Sub-total of cash outflow due to investment activities	1,096,551,525.00	1,340,901,642.00
Net cash flow generated by investment	-1,069,233,822.00	-1,148,340,129.00
III. Cash flow generated by financing		
Cash received as investment		14,500,000.00
Incl. Cash received as investment from minor shareholders		14,500,000.00
Cash received as loans	3,013,919,750.00	7,959,211,141.00
Cash received from bond placing		
Other financing-related cash received	3,179,276,494.00	118,403,662.00
Subtotal of cash inflow from financing activities	6,193,196,244.00	8,092,114,803.00
Cash to repay debts	3,824,757,768.00	7,874,819,707.00
Cash paid as dividend, profit, or interests	468,236,090.00	816,685,415.00
Incl. Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	1,390,858,313.00	120,833,724.00
Subtotal of cash outflow due to financing activities	5,683,852,171.00	8,812,338,846.00

Net cash flow generated by financing	509,344,073.00	-720,224,043.00
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,130,269.00	2,793,736.00
V. Net increase of cash and cash equivalents	1,227,078,674.00	-273,571,476.00
Plus: Balance of cash and cash equivalents at the beginning of term	584,566,990.00	574,744,877.00
VI. Balance of cash and cash equivalents at the end of term	1,811,645,664.00	301,173,401.00

8. Cash Flow Statement of the Parent Company for Jan.-Sept. 2017

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		
Tax returned		
Other cash received from business operation	7,093,227.00	3,384,187.00
Sub-total of cash inflow from business activities	7,093,227.00	3,384,187.00
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	46,944,641.00	85,566,148.00
Taxes paid	6,646,035.00	39,724,582.00
Other cash paid for business activities	21,006,751.00	8,827,849.00
Sub-total of cash outflow from business activities	74,597,427.00	134,118,579.00
Net cash flow generated by business operation	-67,504,200.00	-130,734,392.00
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment profit	2,011,500.00	395,236,932.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other	1,808.00	2,520.00

long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	5,954,000.00	3,000,000.00
Sub-total of cash inflow due to investment activities	7,967,308.00	398,239,452.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,680,804.00	280,145.00
Cash paid as investment		196,755,000.00
Net cash received from subsidiaries and other operational units		464,345,956.00
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	1,680,804.00	661,381,101.00
Net cash flow generated by investment	6,286,504.00	-263,141,649.00
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	2,100,693,638.00	7,375,164,309.00
Cash received from bond placing		
Other financing-related cash received	2,411,868,907.00	663,060,790.00
Subtotal of cash inflow from financing activities	4,512,562,545.00	8,038,225,099.00
Cash to repay debts	3,396,723,365.00	7,168,164,309.00
Cash paid as dividend, profit, or interests	209,502,162.00	705,743,777.00
Other cash paid for financing activities		
Subtotal of cash outflow due to financing activities	3,606,225,527.00	7,873,908,086.00
Net cash flow generated by financing	906,337,018.00	164,317,013.00
IV. Influence of exchange rate alternation on cash and cash equivalents	681,240.00	-2,565,241.00
V. Net increase of cash and cash equivalents	845,800,562.00	-232,124,269.00
Plus: Balance of cash and cash equivalents at the beginning of term	301,637,933.00	394,606,753.00

VI. Balance of cash and cash equivalents at the end of term	1,147,438,495.00	162,482,484.00
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II .Auditor’s Report

Whether the third quarter report has been audited or not

Yes No

The third quarter report of the Company has not been audited.

Board of Directors of

CSG Holding Co., Ltd.

27 October 2017