

CSG HOLDING CO., LTD.

THE FIRST QUARTER REPORT 2019



Chairman of the Board:
CHEN LIN

April 2019

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) confirm that the Financial Report enclosed in the First Quarter Report 2019 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 indices

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

☐ Yes ☒ No

	The 1st quarter of 2019	The 1st quarter of 2018	Percentage of change (%)
Operating income (RMB)	2,222,721,514	2,629,471,994	-15.47%
Net profit attributable to shareholders of the listed company(RMB)	132,188,324	159,382,821	-17.06%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	82,573,767	152,948,714	-46.01%
Net cash flow arising from operating activities(RMB)	136,317,362	60,223,706	126.35%
Basic earnings per share (RMB/Share)	0.05	0.06	-16.67%
Diluted earnings per share (RMB/Share)	0.05	0.06	-16.67%
Weighted average ROE (%)	1.44%	1.86%	-0.42%
	31 March 2019	31 December 2018	Percentage of change (%)
Total assets (RMB)	19,038,937,263	19,114,234,184	-0.39%
Net assets attributable to shareholder of listed company(RMB)	9,241,889,126	9,103,154,571	1.52%

The total share capital of the company as of the previous trading day of disclosure:

The total share capital of the company as of the previous trading day of disclosure (share)	2,862,840,482
Fully diluted earnings per share calculated with latest equity (RMB/share)	0.05

Note: The total amount of 436,719 shares of restricted stocks held by 8 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)	6,877,195	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to	47,460,637	

national standards, which are closely relevant to enterprise's business)		
Loss and profit on external entrusted loan	5,345,912	
Other non-operating income and expenditure except for the aforementioned items	-736,384	
Other gains/losses satisfied definition of extraordinary profit (gains)/loss	-	
Less: Impact on income tax	8,049,219	
Impact on minority shareholders' equity (post-tax)	1,283,584	
Total	49,614,557	--

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	149,447	The total number of preference shareholders with voting rights recovered at end of report period (if applicable)	N/A			
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. – Haili Niannian	Domestic non state-owned legal person	14.81%	423,988,067			
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	Domestic non state-owned legal person	3.76%	107,659,097			
Shenzhen Jushenghua Co., Ltd.	Domestic non state-owned legal person	2.75%	78,757,679		Pledged	63,000,000
Foresea Life Insurance Co., Ltd. – Own Fund	Domestic non state-owned legal person	2.06%	58,877,419			
Central Huijin Asset Management Ltd.	State-owned legal person	1.84%	52,650,444			
China Galaxy International Securities (Hong Kong) Co., Limited	Foreign legal person	1.30%	37,313,064			
UBS AG	Foreign legal person	1.14%	32,607,190			

China Merchants Securities (HK) Co., Limited	State-owned legal person	1.03%	29,604,239			
Shenzhen International Holdings (SZ) Limited	State-owned legal person	0.92%	26,450,000			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.61%	17,563,848			
Particular 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. – Haili Niannian		423,988,067	RMB ordinary shares		423,988,067	
Foresea Life Insurance Co., Ltd. – Universal Insurance Products		107,659,097	RMB ordinary shares		107,659,097	
Shenzhen Jushenghua Co., Ltd.		78,757,679	RMB ordinary shares		78,757,679	
Foresea Life Insurance Co., Ltd. – Own Fund		58,877,419	RMB ordinary shares		58,877,419	
Central Huijin Asset Management Ltd.		52,650,444	RMB ordinary shares		52,650,444	
China Galaxy International Securities (Hong Kong) Co., Limited		37,313,064	Domestically listed foreign shares		37,313,064	
UBS AG		32,607,190	RMB ordinary shares		32,607,190	
China Merchants Securities (HK) Co., Limited		29,604,239	Domestically listed foreign shares		29,604,239	
Shenzhen International Holdings (SZ) Limited		26,450,000	RMB ordinary shares		26,450,000	
VANGUARD EMERGING MARKETS STOCK INDEX FUND		17,563,848	Domestically listed foreign shares		17,563,848	
Statement on associated relationship or consistent action among the above shareholders:		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 36,534,458 shares via China Galaxy International Securities (Hong Kong) Co., Limited. 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.				
Explanation on the top ten shareholders with un-restrict shares held which involving margin business (if applicable)		N/A				

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 2019	31 December 2018	Amount of change	Percentage of change
Accounts receivable	(1)	92,781	59,223	33,558	57%
Assets held for sale	(2)	-	4,598	-4,598	-100%
Other current assets	(3)	13,756	44,533	-30,777	-69%
Bills payable	(4)	27,500	10,515	16,985	162%
Payroll payable	(5)	12,525	26,646	-14,121	-53%
Interest payable	(6)	10,066	7,361	2,705	37%
	Note	Jan.-Mar.2019	Jan.-Mar.2018	Amount of change	Percentage of change
Asset impairment loss	(7)	682	463	219	47%
Income from asset disposal	(8)	688	-102	790	-
Other income	(9)	4,746	758	3,988	526%
Non-operating income	(10)	69	220	-151	-69%
Non-operating expenses	(11)	142	86	56	65%
Minority shareholder gains and losses	(12)	375	-36	411	-
Other comprehensive income	(13)	-122	-203	81	-

Note:

- (1) The increase in accounts receivable was mainly due to the increase in accounts receivable of the glass industry.
- (2) The decrease in assets held for sale was mainly due to the disposal of assets held for sale.
- (3) The decrease in other current assets was mainly due to the recovery of entrusted loans during the period.
- (4) The increase in bills payable was mainly due to the increase in new bills issued during the period.
- (5) The decrease in payroll payables was mainly due to the payment of the employee's year-end bonus accrued at the end of last year was paid during the report period.
- (6) The increase in interest payable was mainly due to the fact that interest payment for medium-term notes had not been paid in the period for they were not due yet.
- (7) The increase in asset impairment losses was mainly due to the increase in provision for bad debts of accounts receivable.
- (8) The increase in income from asset disposal was mainly due to the disposal of assets held for sale during the period.
- (9) The increase in other income was mainly due to the increase in amortization of government subsidies.
- (10) The decrease in non-operating income was mainly due to a slight decrease in government grants during the period.
- (11) The increase in non-operating expenses was mainly due to the increase in donation expenses.
- (12) The increase in minority shareholders' gains and losses was mainly due to the increase in net profit of some subsidiaries with

minority shareholders.

(13) The increase in other comprehensive income was mainly due to the change in 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. 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.

2. 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.

3. Perpetual bonds

On April 15, 2016, the Shareholders' General Meeting 2015 of CSG deliberated and approved the proposal of application for registration and issuance of perpetual bonds, and agreed the Company to register and issue perpetual bonds with a total amount of RMB 3.1 billion which could be issued by stages within period of validity of the registration according to the Company's actual demand for funds and the capital status of inter-bank market.

4. 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 14th 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.

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 a 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.

5. 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.

6. Meetings of Medium-term note holders during the report period

On January 8, 2019, the Company released "the Announcement on Convening of 2015 First-phase of Medium-term Note Holders' Meeting of CSG Holding Co., Ltd." and "the Announcement on Convening of 2018 First-phase of Medium-term Note Holders' Meeting of CSG Holding Co., Ltd." due to the Company's capital reduction for the repurchase and cancellation of some restricted shares of the restricted equity incentive plan. On January 22, 2019, the Company's 2015 first-phase of medium-term note holders' meeting and 2018 first-phase of medium-term note holders' meeting were held and voted off-site. The 2015 first-phase of medium-term note holders' meeting and the 2018 first-phase of medium-term note holders' meeting did not take effect as the total voting rights held by the holders attending the meeting did not reach two-thirds of the total voting rights as required.

7. Entrusted Loan

On December 21, 2018, the Extraordinary Meeting of the 8th Board of Directors deliberated and approved "the Proposal on Providing External Entrusted Loans". The Company issued an entrusted loan with a total amount of RMB 0.3 billion to Tengchong Yuezhou Water Investment Development Co., Ltd. via China Everbright Bank shenzhen(Nanshan) branch. The valid term of the entrusted loan was 3 months and its annual interest rate was 8.5%. On March 22, 2019, the principal and income of the above-mentioned entrusted loan was repaid as agreed in the contract.

Progress of implementation of share repurchase

☐Applicable ☒Not applicable

Progress of implementation of the reduction of the repurchased 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 2019

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. Derivative investment

☐ Applicable ☒ Not applicable

There was no derivative investment during the report period.

VII. 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.

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

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 Fund	2,367,406,487	2,226,447,720
Settlement provisions		
Lendings to Banks and Other Financial Institutions		
Transactional financial assets		
Financial assets measured at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable	1,446,468,814	1,311,608,760
Incl.: Notes receivable	518,658,477	719,375,448
Accounts receivable	927,810,337	592,233,312
Prepayments	102,966,630	91,176,675
Premium receivable		
Accounts receivable reinsurance		
Reserve for reinsurance receivable contracts		
Other receivables	213,754,669	207,424,295
Incl.: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Stock	753,404,127	600,139,750
Contract assets		
Assets held for sale		45,983,520
Non-current assets due within one year		
Other current assets	137,555,392	445,327,449
Total current assets	5,021,556,119	4,928,108,169

Non-current assets:		
Loans and advances		
Debt investment		
Available for sale financial assets		
Other debt investment		
Held-to-maturity investment		
Long-term receivables		
Long-term equity investment		
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate		
Fixed assets	9,754,386,128	9,930,843,775
Construction in progress	2,578,710,963	2,559,179,442
Productive biological assets		
Oil and gas assets		
Right of use assets		
Intangible assets	1,042,727,117	1,035,731,324
Development expenditure	63,358,454	74,549,257
Goodwill	376,720,156	376,720,156
Long-term prepaid expenses	12,278,598	12,746,609
Deferred tax assets	135,084,054	139,529,518
Other non-current assets	54,115,674	56,825,934
Total non-current assets	14,017,381,144	14,186,126,015
Total assets	19,038,937,263	19,114,234,184
Current liabilities:		
Short-term loan	2,907,911,732	2,922,679,590
Borrowing from the Central Bank		
Loans from other banks		
Transactional financial liabilities		
Financial liabilities measured at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable	1,407,340,246	1,315,009,263
Advance payment	193,978,924	206,631,008

Financial Assets Sold for Repurchase		
Absorbing deposits and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Payroll payable	125,250,903	266,459,151
Taxes payable	99,658,810	111,967,365
Other payables	514,488,917	552,751,187
Incl.: Interest payable	100,660,637	73,612,703
Dividend payable	2,827,373	2,846,362
Fees and commissions payable		
Accounts payable reinsurance		
Contract liability		
Liabilities held for sale		
Non-current liabilities due within one year	769,577,381	819,448,742
Other current liabilities	300,000	300,000
Total current liabilities	6,018,506,913	6,195,246,306
Non-current liabilities:		
Insurance contract reserve		
Long term loan	2,306,137,500	2,315,700,000
Bonds payable		
Incl.: Preferred stock		
Perpetual bond		
Lease liability		
Long-term payables	536,586,830	529,910,796
Long-term payroll pay		
Estimated liabilities		
Deferred income	564,376,142	601,825,780
Deferred income tax liabilities	21,412,781	22,118,840
Other non-current liabilities		
Total non-current liabilities	3,428,513,253	3,469,555,416
Total Liabilities	9,447,020,166	9,664,801,722
Owners' equity:		
Share capital	2,862,840,482	2,863,277,201
Other equity instruments		

Incl.: Preferred stock		
Perpetual bond		
Capital reserve	1,101,170,945	1,095,339,421
Less: treasury shares	275,555,628	277,180,983
Other comprehensive income	3,858,321	5,080,234
Special reserves	6,816,584	6,068,600
Surplus reserve	924,305,375	924,305,375
General risk preparation		
Undistributed profits	4,618,453,047	4,486,264,723
Total owner's equity attributable to the parent company	9,241,889,126	9,103,154,571
Minority shareholders' equity	350,027,971	346,277,891
Total owner's equity	9,591,917,097	9,449,432,462
Total Liabilities and Owner's Equity	19,038,937,263	19,114,234,184

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
Current asset:		
Monetary Fund	1,157,296,686	1,700,726,151
Transactional financial assets		
Financial assets measured at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable		
Incl.: Notes receivable		
Accounts receivable		
Prepayments	821,265	438,167
Other receivables	3,384,540,626	2,912,516,245
Incl.: Interest receivable		
Dividend receivable		
Stock		
Contract assets		

Assets held for sale		
Non-current assets due within one year		
Other current assets		300,000,000
Total current assets	4,542,658,577	4,913,680,563
Non-current assets:		
Debt investment		
Available for sale financial assets		
Other debt investment		
Held-to-maturity investment		
Long-term receivables	1,200,000,000	1,200,000,000
Long-term equity investment	4,969,220,435	4,964,696,831
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate		
Fixed assets	19,707,895	20,926,071
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right of use assets		
Intangible assets	732,793	879,146
Development expenditure		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets		
Other non-current assets	1,711,338	732,038
Total non-current assets	6,191,372,461	6,187,234,086
Total assets	10,734,031,038	11,100,914,649
Current liabilities:		
Short-term loan	2,050,000,000	2,000,000,000
Transactional financial liabilities		
Financial liabilities measured at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable	150,209,636	261,024

Advance payment		
Contract liability		
Payroll payable	6,383,825	41,096,020
Taxes payable	2,223,489	1,099,231
Other payables	1,161,989,965	1,668,587,218
Incl.: Interest payable	55,455,963	41,572,125
Dividend payable	2,827,373	2,846,362
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	3,370,806,915	3,711,043,493
Non-current liabilities:		
Long term loan	2,000,000,000	2,000,000,000
Bonds payable		
Incl.: Preferred stock		
Perpetual bond		
Lease liability		
Long-term payables		
Long-term payroll pay		
Estimated liabilities		
Deferred income	184,088,245	184,642,520
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	2,184,088,245	2,184,642,520
Total Liabilities	5,554,895,160	5,895,686,013
Owners' equity:		
Share capital	2,862,840,482	2,863,277,201
Other equity instruments		
Incl.: Preferred stock		
Perpetual bond		
Capital reserve	1,245,998,259	1,240,166,735
Less: treasury shares	275,555,628	277,180,983
Other comprehensive income		
Special reserves		

Surplus reserve	938,850,735	938,850,735
Undistributed profits	407,002,030	440,114,948
Total owner's equity	5,179,135,878	5,205,228,636
Total Liabilities and Owner's Equity	10,734,031,038	11,100,914,649

3. Consolidated Income Statement

Unit: RMB

Item	Balance of this period	Balance of last period
I. Total revenue	2,222,721,514	2,629,471,994
Incl. :Business income	2,222,721,514	2,629,471,994
Interest income		
Earned premium		
Fee and commission income		
II. Total business cost	2,112,290,384	2,449,790,563
Incl. :Business cost	1,710,257,358	1,983,212,565
Interest expense		
Fee and commission expenses		
Surrender value		
Net reimbursement expenditure		
Net amount of withdrawal of insurance contract reserve		
Expenditures dividend policy		
Amortized Reinsurance Expenditures		
Taxes and surcharges	26,974,283	37,091,336
Sales expense	82,460,250	79,742,352
Management costs	123,978,598	171,498,676
Research and development expenses	79,671,948	81,471,157
Financial expenses	82,123,543	92,147,066
Incl. : Interest expense	87,627,795	96,320,142
Interest income	6,719,497	10,389,262
Asset impairment loss	6,824,404	4,627,411
Credit impairment loss		
Plus: Other income	47,460,637	7,579,659
Investment income ("-" for loss)		

Incl. : Investment income in associates and joint ventures		
Exchange gains (“-“ for loss)		
Net open hedge income (“-“ for loss)		
Fair value change income (“-“ for loss)		
Asset disposal income (“-“ for loss)	6,877,195	-1,023,284
III. Operational profit (“-“ for loss)	164,768,962	186,237,806
Plus: non-operational income	687,874	2,200,396
Less: non-operational expenses	1,424,258	861,285
IV. Gross profit (“-“ for loss)	164,032,578	187,576,917
Less: Income tax expenses	28,094,174	28,552,401
V. Net profit (“-“ for net loss)	135,938,404	159,024,516
(I) Classification by business continuity		
1. Net profit from continuous operation (“-“ for net loss)	135,938,404	159,024,516
2. Discontinued operating net profit (“-“ for net loss)		
(II) Classification by ownership		
1. Net profit attributable to the owners of parent company	132,188,324	159,382,821
2. Minor shareholders' equity	3,750,080	-358,305
VI. Net after-tax amount of other comprehensive income	-1,221,913	-2,029,007
Net after-tax amount of other comprehensive income attributable to the owner of the parent company	-1,221,913	-2,029,007
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the company's own credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified into profit or loss	-1,221,913	-2,029,007
1. Other comprehensive income that can be transferred to profit or loss under the equity method		

2. Changes in fair value of other debt investments		
3. Gains and losses from changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Held-to-maturity investments reclassified as gains and losses on available-for-sale financial assets		
6. Other debt investment credit impairment provisions		
7. Cash flow hedge reserve		
8. Foreign-currency financial statement translation difference	-1,221,913	-2,029,007
9. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	134,716,491	156,995,509
Total comprehensive income attributable to owners of the Company	130,966,411	157,353,814
Total comprehensive income attributable to minority shareholders	3,750,080	-358,305
VIII. Earnings per share		
(I) Basic earnings per share	0.05	0.06
(II) Diluted earnings per share	0.05	0.06

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	20,108,542	14,497,732
Less: Business cost		
Taxes and surcharges	220,610	125,403
Sales expense		
Management costs	22,307,483	36,644,195
Research and development expenses	8,833	

Financial expenses	31,366,290	8,614,081
Incl. : Interest expense	36,970,255	17,912,092
Interest income	5,862,210	9,650,504
Asset impairment loss	-3,481	761
Credit impairment loss		
Plus: Other income	678,275	470,940
Investment income (“-“ for loss)		
Incl. : Investment income in associates and joint ventures		
Net open hedge income (“-“ for loss)		
Fair value change income (“-“ for loss)		
Asset disposal income (“-“ for loss)		2,440
II. Operational profit (“-“ for loss)	-33,112,918	-30,413,328
Plus: non-operational income		127,450
Less: non-operational expenses		
III.. Gross profit (“-“ for loss)	-33,112,918	-30,285,878
Less: Income tax expenses		
IV. Net profit (“-“ for net loss)	-33,112,918	-30,285,878
(I) Net profit from continuous operation (“-“ for net loss)	-33,112,918	-30,285,878
(II) Discontinued operating net profit (“-“ for net loss)		
V. Net after-tax amount of other comprehensive income		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the company's own credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other debt investments		

3. Gains and losses from changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Held-to-maturity investments reclassified as gains and losses on available-for-sale financial assets		
6. Other debt investment credit impairment provisions		
7. Cash flow hedge reserve		
8. Foreign-currency financial statement translation difference		
9. Others		
VI. Total comprehensive income	-33,112,918	-30,285,878
VII. 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	2,268,333,166	2,585,745,573
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the Central Bank		
Net increase in disbursements to other financial institutions		
Cash received from the premium of the original insurance contract		
Net cash received from reinsurance business		
Net increase of insured deposit and investment		
Disposal of the net increase in financial assets measured at fair value through profit or loss		
Cash charged with interest, handling fees and commissions		
Net increase in funds disbursed		
Net increase in repurchase business funds		
Net cash received from trading securities		

Refunds of taxes	1,825,553	8,714,717
Received other cash related to business activities	26,891,640	19,321,411
Subtotal of cash inflow from operating activities	2,297,050,359	2,613,781,701
Cash paid for the purchase of goods and services	1,445,370,845	1,794,681,827
Net increase in customer loans and advances		
Deposit of net increase in Central Bank and interbank payments		
Cash for payment of original insurance contract claims		
Net increase in financial assets held for trading purposes		
Net increase in funds dismantled		
Cash for payment of interest, handling fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	418,315,107	421,471,968
Payments of all types of taxes	138,793,875	182,508,067
Payment of other cash related to business activities	158,253,170	154,896,133
Subtotal of cash outflow from operating activities	2,160,732,997	2,553,557,995
Net cash flow from operating activities	136,317,362	60,223,706
II. Cash flows from investing activities:		
Recovery of Cash Received from Investment		
Cash received from investment income		
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	334,400	1,772,886
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	209,085	3,249,483
Subtotal of cash inflows from investment activities	543,485	5,022,369
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	127,234,513	112,300,336
Cash for investment payments		
Net increase in pledge loans		
Net cash paid by subsidiaries and other business units		
Other cash paid relating to investing activities	606,824	14,102,400
Subtotal of cash outflows from investment activities	127,841,337	126,402,736
Net cash flows from investing activities	-127,297,852	-121,380,367

III. Cash flow from financing activities:		
Cash received by absorbing investments		
Incl. : Cash received by subsidiary companies to absorb minority shareholders' Investment		
Cash received from the loan	835,500,000	850,600,000
Cash received from the issuance of bonds		
Other financing-related cash received	500,000,000	303,833
Subtotal of cash inflows from financing activities	1,335,500,000	850,903,833
Cash paid for debt repayment	930,211,970	545,750,000
Cash paid for dividends, profits or interest payments	62,397,350	81,914,082
Incl. : Dividends and profits paid by subsidiaries to minority shareholders		
Payment of other cash related to financing activities	359,331,565	213,115,386
Subtotal of cash outflows from financing activities	1,351,940,885	840,779,468
Net cash flow from financing activities	-16,440,885	10,124,365
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,620,779	-4,370,245
V. Net increase in cash and cash equivalents	-9,042,154	-55,402,541
Plus: Balance of cash and cash equivalents at the beginning of term	2,225,126,913	2,459,753,165
VI. Balance of cash and cash equivalents at the end of term	2,216,084,759	2,404,350,624

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		
Received other cash related to business activities	12,431,042	10,761,525
Subtotal of cash inflow from operating activities	12,431,042	10,761,525
Cash paid for the purchase of goods and services		
Cash paid to and for employees	51,404,986	38,812,139
Payments of all types of taxes	1,047,643	701,230
Payment of other cash related to business activities	8,308,180	4,822,289

Subtotal of cash outflow from operating activities	60,760,809	44,335,658
Net cash flow from operating activities	-48,329,767	-33,574,133
II. Cash flows from investing activities:		
Recovery of Cash Received from Investment		
Cash received from investment income		
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		2,440
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investment activities		2,440
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,522,855	262,260
Cash for investment payments		
Net cash paid by subsidiaries and other business units		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investment activities	1,522,855	262,260
Net cash flows from investing activities	-1,522,855	-259,820
III. Cash flow from financing activities:		
Cash received by absorbing investments		
Cash received from the loan	700,000,000	500,000,000
Cash received from the issuance of bonds		
Other financing-related cash received		152,171,097
Subtotal of cash inflows from financing activities	700,000,000	652,171,097
Cash paid for debt repayment	650,000,000	250,000,000
Cash paid for dividends, profits or interest payments	22,874,958	19,945,850
Payment of other cash related to financing activities	670,685,645	
Subtotal of cash outflows from financing activities	1,343,560,603	269,945,850
Net cash flow from financing activities	-643,560,603	382,225,247
IV. Influence of exchange rate alternation on cash and cash equivalents	-17,160	-33,040
V. Net increase in cash and cash equivalents	-693,430,385	348,358,254
Plus: Balance of cash and cash equivalents at the beginning of term	1,699,514,334	1,680,672,390
VI. Balance of cash and cash equivalents at the end of term	1,006,083,949	2,029,030,644

II. Note to the Adjustment of Financial Statements

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

☐ Applicable ☒ Not applicable

2. Note to the retroactive adjustment of the previous comparative data according to the new standards for financial instruments and the new standards for lease initially implemented

☐ Applicable ☒ Not applicable

II. 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.
26 April 2019**