

CSG HOLDING CO., LTD.

THE first QUARTER REPORT 2024



Chairman of the Board:

CHEN LIN

April 2024

Stock Code: 000012/200012

Short Form of Stock: Southern Glass A/B

Notice No.:2024-010

CSG Holding Co., Ltd.

The First Quarter Report 2024

The Company and all the members of the Board of Directors confirm that the information disclosed is authentic, accurate and complete, and there are no any fictitious statements, misleading statements or significant omissions carried in this report.

Important Notice:

1. Board of Directors and the Supervisory Committee and its directors, supervisors and senior executives hereby confirm that the Quarter Report is authentic, accurate and complete and there are no any fictitious statements, misleading statements, or significant omissions carried in this report, and shall take individual and joint legal responsibilities.

2. Head of the Company, responsible person in charge of accounting and principal of the financial department (accounting officer) confirm that the financial information in this Quarter Report is authentic, accurate and complete.

3. Whether the First Quarter Report has been audited or not

Yes No

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.

I. Main financial data

(I) Major accounting data and financial indicators

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	The report period	The same period of the previous year	Year-on-year increase/decrease
Operating income (RMB)	3,947,220,433	4,070,673,784	-3.03%
Net profit attributable to shareholders of the listed company (RMB)	325,377,538	396,406,087	-17.92%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	295,301,846	369,241,752	-20.02%
Net cash flow arising from operating activities (RMB)	180,305,094	-284,407,179	163.40%

Basic earnings per share (RMB/Share)	0.11	0.13	-15.38%
Diluted earnings per share (RMB/Share)	0.11	0.13	-15.38%
Weighted average ROE (%)	2.29%	3.04%	-0.75%
	End of the report period	End of the previous year	Increase/decrease at the end of the report period over the end of the previous year
Total assets (RMB)	31,148,754,411	30,362,057,312	2.59%
Net assets attributable to shareholders of the listed company (RMB)	14,373,532,734	14,050,840,217	2.30%

(II) Item and amount of non-recurring gains and losses

Applicable Not applicable

Unit: RMB

Item	Amount in the report period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	4,177,432	
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)	24,601,228	
In addition to the effective hedging business related to the normal operation of the company, the profit or loss of fair value changes arising from the holding of financial assets and financial liabilities by non-financial enterprises and the loss or gain arising from the disposal of financial assets and financial liabilities and available for sale financial assets	392,308	
Reversal of provision for impairment of receivables that have been individually tested for impairment	4,146,470	
Profit and loss from debt restructuring	676,483	
Other non-operating income and expenditure except for the aforementioned items	1,848,922	
Less: Impact on income tax	5,498,675	
Impact on minority shareholders' equity (post-tax)	268,476	
Total	30,075,692	--

Particulars about other gains and losses that meet the definition of non-recurring gains and losses:

Applicable Not applicable

It did not exist that other profit and loss items met the definition of non-recurring gains and losses.

Explanation of the non-recurring gains and losses listed in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public - Non-recurring Gains and Losses as recurring gains and losses

Applicable Not applicable

It did not exist that non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profit and Loss" were defined as recurring profit and loss items in the report period.

(III) Statement of change in the major accounting data and financial indicators and the causes

√Applicable □ Not applicable

Unit: RMB

Item of the Balance Sheet	Note	March 31, 2024	December 31, 2023	Percentage of change
Financing of receivables	(1)	785,363,122	529,945,623	48%
Non-current assets due within one year	(2)	44,497,625	84,191,224	-47%
Employee benefits payable	(3)	271,442,639	483,337,796	-44%
Long-term payables	(4)	389,166,859	88,204,163	341%
Special reserves	(5)	2,238,171	1,411,139	59%
Item of Income Statement	Note	From January to March 2024	From January to March 2023	Percentage of change
Administrative expenses	(6)	223,199,011	160,804,139	39%
Other income	(7)	43,926,665	24,951,873	76%
Investment income	(8)	-2,356,215	756,383	-412%
Credit impairment loss	(9)	5,456,642	-9,860,184	--
Asset disposal gain	(10)	4,177,432	164,780	2435%
Non-operating income	(11)	2,166,094	7,959,666	-73%
Minor shareholders' equity	(12)	-7,444,708	-3,946,731	89%

Notes:

- (1) The increase in receivables financing was mainly due to an increase in notes received;
- (2) The decrease in non-current assets due within one year was mainly due to the redemption of certificates of deposit at maturity;
- (3) The decrease in employee benefits payable was mainly due to the payment of year-end bonuses of employees accrued in the previous year during the reporting period;
- (4) The increase in long-term payables was mainly due to the increase in the financial leasing business of some subsidiaries;
- (5) The increase in special reserves was mainly due to the increase in the provision of special reserves by some subsidiaries;
- (6) The increase in administrative expenses was mainly due to the increase in depreciation and amortization;
- (7) The increase in other income was mainly due to the increase in tax benefits such as the value-added tax deduction;
- (8) The decrease in investment income was mainly due to the increase in bill discounting;
- (9) The change in credit impairment loss was mainly due to the reversal of special bad debt provisions in the current period and the increase in receivables for photovoltaic glass in the same period last year;
- (10) The increase in asset disposal gain was mainly due to the increase in non-current asset disposal gain of some subsidiaries in the current period and the relatively small amount in the previous period;
- (11) The decrease in non-operating income was mainly due to the larger amount of unpayable payments in the same period of the previous year and the smaller amount in the current period;
- (12) The change in minor shareholders' equity was mainly due to the decrease in the net profit of some non-wholly-owned subsidiaries.

II. Information of shareholders

(I) 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

Total common shareholders at the end of the report period		The total number of preference shareholders with voting rights recovered at end of report period (if applicable)				
150,800				0		
Shareholdings of the 10 shareholders (Excluding shares lent through refinancing)						
Name of shareholder	Nature of shareholder	Proportion of shares held (%)	Amount of shares held	Amount of restricted shares held	Number of share pledged, marked or frozen	
					Share status	Amount
Foresea Life Insurance Co., Ltd. – HailiNiannian	Domestic non state-owned legal person	15.19%	466,386,874			
# Shenzhen Sigma C&T Co., Ltd.	Domestic non state-owned legal person	3.92%	120,385,406			
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	Domestic non state-owned legal person	3.86%	118,425,007			
Foresea Life Insurance Co., Ltd. – Own Fund	Domestic non state-owned legal person	2.11%	64,765,161			
China Galaxy International Securities (Hong Kong) Co., Limited	Foreign legal person	1.34%	41,034,578			
China Merchants Securities (Hong Kong) Limited	Foreign legal person	1.10%	33,867,837			
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	0.88%	26,953,472			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.64%	19,595,573			
Zhongshan Runtian Investment Co., Ltd.	Domestic non state-owned legal person	0.62%	18,983,447		Pledged	18,980,000
					Marked	18,980,000
					Frozen	3,447
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.57%	17,537,213			
Particulars about the top ten shareholders with unrestricted shares held						
Full name of Shareholders	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Foresea Life Insurance Co., Ltd. – HailiNiannian	466,386,874	RMB ordinary shares		466,386,874		
# Shenzhen Sigma C&T Co., Ltd.	120,385,406	RMB ordinary shares		120,385,406		
Foresea Life Insurance Co., Ltd. – Universal Insurance Products	118,425,007	RMB ordinary shares		118,425,007		
Foresea Life Insurance Co., Ltd. – Own Fund	64,765,161	RMB ordinary shares		64,765,161		
China Galaxy International Securities (Hong Kong) Co., Limited	41,034,578	Domestically listed foreign shares		41,034,578		
China Merchants Securities (Hong Kong) Limited	33,867,837	Domestically listed foreign shares		33,867,837		
Hong Kong Securities Clearing Co., Ltd.	26,953,472	RMB ordinary shares		26,953,472		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	19,595,573	Domestically listed foreign shares		19,595,573		
Zhongshan Runtian Investment Co., Ltd.	18,983,447	RMB ordinary shares		18,983,447		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	17,537,213	Domestically listed foreign shares		17,537,213		

Statement on associated relationship or consistent action among the above shareholders:	As of the end of the report period, among shareholders as listed above, Foresea Life Insurance Co., Ltd.-HailiNiannian, Foresea Life Insurance Co., Ltd.-Universal Insurance Products, Foresea Life Insurance Co., Ltd.-Own Fund are all held by Foresea Life Insurance Co., Ltd. Shenzhen Jushenghua Co., Ltd., which holds 51% equity of Foresea Life Insurance Co., Ltd., holds 100% equity of Zhongshan Runtian Investment Co.,Ltd and Chengtai Group Co. Ltd., through Shenzhen Hualitong Investment Co., Ltd. Chengtai Group Co., Ltd. holds 40,187,904 shares through China Galaxy International Securities (Hong Kong) Co., Limited.
Explanation on the top ten shareholders which involving margin business (if applicable)	As of the end of the report period, shareholder Shenzhen Sigma C&T Co., Ltd. holds 0 shares of the Company through an ordinary account, and 120,385,406 shares of the Company through the customer credit transaction guarantee securities account of Huatai Securities Co., Ltd., totaling 120,385,406 shares of the Company.

Special note: On July 11, 2022, at the Company's Second Extraordinary General Meeting in 2022, Foresea Life Insurance Co., Ltd. voted in favor of all proposals, and Zhongshan Runtian Investment Co., Ltd. voted against all proposals, Chengtai Group Co., Ltd. voted against all the proposals with the shares held by China Galaxy International Securities (Hong Kong) Co., Limited; on August 3, 2022, at the Company's Third Extraordinary General Meeting in 2022, Foresea Life Insurance Co., Ltd. voted in favor of all proposals, and Zhongshan Runtian Investment Co., Ltd. voted against all proposals.

Top 10 shareholders involved in refinancing shares lending

Applicable Not applicable

The top 10 shareholders and the top 10 shareholders of unlimited outstanding shares have changed from the previous period due to refinancing lending/restitution reasons

Applicable Not applicable

(II) The total number of preference shareholders of the company and particulars about the top ten preference shareholders

Applicable Not applicable

III. Statement on other important matters

Applicable Not applicable

1. Ultra-short-term financing bills

On May 16, 2022, the Company's 2021 Annual General Meeting reviewed and approved the "Proposal on Application for Registration and Issuance of Medium-Term Notes and Ultra-short-term Financing Bills", which agreed that the Company would register and issue ultra-short-term financing bills with a registered amount of not more than RMB 1 billion, The Company can issue one or more times within the validity period of the registration according to the actual capital needs and the capital situation of the inter-bank market. On October 30, 2023, the Dealers Association held the 128th registration meeting in 2023 and decided to accept the registration of ultra-short-term financing notes with a total amount of RMB 1 billion and a validity period of two years.

2. Medium-term notes

On May 16, 2022, the Company's 2021 Annual General Meeting reviewed and approved the "Proposal on Application for Registration and Issuance of Medium-term Notes and Ultra-short-term Financing Bills", which agreed that the

Company would register and issue medium-term notes with a registered amount of not more than RMB 2 billion. Actual capital needs and inter-bank market capital status, can be issued one or more times within the validity period of registration. On October 30, 2023, the Dealers Association held its 128th registration meeting for 2023 and decided to accept the registration of medium-term notes with a total value of RMB 2 billion and a validity period of two years.

3. Guarantee situation

The 2022 Annual General Meeting of the Company reviewed and passed the Proposal for the 2023 Guarantee Plan, and approved the Company and its subsidiaries to provide guarantees in a total amount of not exceeding RMB 21,832 million (including the effective and unexpired amount) for the 2023 credit lines from financial institutions to guaranteed entities within the scope of consolidated statements. Among them, the total amount of guarantees for all guaranteed entities with asset-liability ratio of 70% or above shall not exceed the equivalent amount of RMB 920 million (including the effective and unexpired amount). The Company's external guarantees are all provided for subsidiaries within the scope of consolidated statement. As of March 31, 2024, the actual guarantee balance was RMB 7,462.61 million (of which the actual guarantee balance with asset-liability ratio of 70% or above was RMB 56.31million), accounting for 53.11% of the parent company's net assets of RMB 14,050.84 million at the end of 2023, and 24.58% of the total assets of RMB 30,362.06 million. The Company has no overdue guarantee.

The Company's 2022 Annual General Meeting reviewed and passed the Proposal on the Development of Asset Pool Business in 2023. In order to achieve the overall management of the Company's assets such as bills and letters of credit, the General Meeting of Shareholders approved the Company and its subsidiaries to conduct asset pool business of no more than RMB 1.6 billion. Under the premise of controllable risks, various guarantee methods such as maximum pledge, general pledge, deposit certificate pledge, bill pledge, and margin pledge can be adopted for business development. As of March 31, 2024, the actual pledge amount of the asset pool business was RMB 1,376.65 million, and the financing balance was RMB 1,375.29 million.

4. The matter of the special fund of RMB 171 million for talent introduction

Regarding the special fund of RMB 171 million for talent introduction, the Company filed an infringement compensation lawsuit against Zeng Nan and others and Yichang Hongtai Real Estate Co., Ltd. on December 15, 2021, and Shenzhen Intermediate People's Court officially accepted it on January 28, 2022. The first trial of the case was completed in Shenzhen Intermediate People's Court on June 21, 2022, and is currently awaiting judgment.

5. Postponed re-election of the Board of Directors and the Supervisory Committee

The term of office of the ninth Board of Directors and Supervisory Committee of the Company expired on 21 May 2023, and re-election is progressing steadily as of now. According to Articles 96 and 138 of the *Articles of Association of CSG Holding Co., Ltd.*, if a new director/supervisor is not re-elected in time upon the expiry of the term of office of a director/supervisor, before the re-elected director/supervisor assumes his/her office, the former director/supervisor shall still perform the duties of a director/supervisor in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association. Therefore, the members of the ninth Board of Directors and Supervisory Committee are still performing their duties in a normal manner, and the re-election of the Board of Directors and the Supervisory Committee would not have any adverse impact on the Company's operation and governance.

IV. Quarterly financial statements

(I) Financial statements

1. Consolidated Balance Sheet

Prepared by CSG Holding Co., Ltd.

March 31, 2024

Unit: RMB

Item	Ending balance	Opening balance
Current asset:		
Monetary Fund	2,949,972,738	3,076,774,218
Notes receivable	1,349,833,610	1,593,520,494
Accounts receivable	1,850,470,430	1,881,796,408
Receivables financing	785,363,122	529,945,623
Prepayments	115,559,981	155,476,645
Other receivables	168,195,599	177,957,033
Inventories	1,955,890,676	1,590,224,795
Non-current assets due within one year	44,497,625	84,191,224
Other current assets	454,429,946	352,066,698
Total current assets	9,674,213,727	9,441,953,138
Non-current assets:		
Investment real estate	290,368,105	290,368,105
Fixed assets	12,996,295,096	13,145,568,631
Construction in progress	5,059,048,133	4,325,016,420
Right-of-use asset	21,153,297	21,637,628
Intangible assets	2,458,357,924	2,490,530,224
Goodwill	8,593,352	8,593,352
Long-term prepaid expenses	20,268,842	18,764,429
Deferred tax assets	237,985,797	223,025,031
Other non-current assets	382,470,138	396,600,354
Total non-current assets	21,474,540,684	20,920,104,174
Total assets	31,148,754,411	30,362,057,312
Current liabilities:		
Short-term borrowings	389,237,703	436,853,583
Notes payable	2,342,267,723	2,041,353,189
Accounts payable	3,203,048,330	3,341,624,602
Contract liability	372,170,406	362,538,795
Employee benefits payable	271,442,639	483,337,796
Taxes payable	139,603,753	123,407,413
Other payables	443,768,145	484,741,877
Incl.: Interest payable	8,863,134	8,751,408
Non-current liabilities due within one year	1,450,719,100	1,248,891,979
Other current liabilities	369,554,425	454,332,686
Total current liabilities	8,981,812,224	8,977,081,920
Non-current liabilities:		
Long-term borrowings	6,377,322,777	6,221,648,676
Lease liabilities	16,007,041	15,134,562
Long-term payables	389,166,859	88,204,163
Projected liabilities	14,739,191	13,050,082
Deferred income	437,455,228	430,143,830
Deferred income tax liabilities	80,297,113	80,087,910
Total non-current liabilities	7,314,988,209	6,848,269,223
Total Liabilities	16,296,800,433	15,825,351,143

Owners' equity:		
Share capital	3,070,692,107	3,070,692,107
Capital reserve	590,739,414	590,739,414
Other comprehensive income	173,872,418	177,384,471
Special reserves	2,238,171	1,411,139
Surplus reserve	1,404,063,298	1,404,063,298
Undistributed profits	9,131,927,326	8,806,549,788
Total owner's equity attributable to the parent company	14,373,532,734	14,050,840,217
Minority shareholders' equity	478,421,244	485,865,952
Total owner's equity	14,851,953,978	14,536,706,169
Total Liabilities and Owner's Equity	31,148,754,411	30,362,057,312

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

2. Consolidated Income Statement

Unit: RMB

Item	Amount incurred in the report period	Amount incurred in the previous period
I. Total operating revenue	3,947,220,433	4,070,673,784
Incl. :Business income	3,947,220,433	4,070,673,784
II. Total business cost	3,632,525,478	3,635,165,242
Incl.: Business cost	3,106,051,696	3,165,542,052
Taxes and surcharges	31,904,103	36,882,571
Sales expense	77,280,402	74,847,114
Management costs	223,199,011	160,804,139
Research and development expenses	156,557,338	161,274,469
Financial expenses	37,532,928	35,814,897
Incl. : Interest expense	59,234,320	65,810,690
Interest income	13,359,790	30,647,150
Plus: Other income	43,926,665	24,951,873
Investment income ("-" for loss)	-2,356,215	756,383
Credit impairment loss ("-" for loss)	5,456,642	-9,860,184
Asset disposal gain ("-" for loss)	4,177,432	164,780
III. Operational profit ("-" for loss)	365,899,479	451,521,394
Plus: non-operating income	2,166,094	7,959,666
Less: non-operating expenses	317,172	378,246
IV. Gross profit ("-" for loss)	367,748,401	459,102,814
Less: Income tax expenses	49,815,571	66,643,458
V. Net profit ("-" for net loss)	317,932,830	392,459,356
(I) Classification by business continuity		
1. Net profit from continuous operation("-" for net loss)	317,932,830	392,459,356
2. Net profit from discontinued operations ("-" for net loss)		
(II) Classification by ownership		
1. Net profit attributable to the owner of the parent company	325,377,538	396,406,087
2. Minor shareholders' equity	-7,444,708	-3,946,731
VI. Net after-tax amount of other comprehensive income	-3,512,053	-3,225,667
Net after-tax amount of other comprehensive income attributable to the owner of the parent company	-3,512,053	-3,225,667
(I) Other comprehensive income that will be reclassified into profit or loss	-3,512,053	-3,225,667
1. Foreign-currency financial statement translation	-3,512,053	-3,225,667

difference		
VII. Total comprehensive income	314,420,777	389,233,689
Total comprehensive income attributable to owners of the Company	321,865,485	393,180,420
Total comprehensive income attributable to minority shareholders	-7,444,708	-3,946,731
VIII. Earnings per share		
(I) Basic earnings per share	0.11	0.13
(II) Diluted earnings per share	0.11	0.13

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

3. Consolidated Cash Flow Statement

Unit: RMB

Item	Amount incurred in the report period	Amount incurred in the previous period
I. Net cash flow from business operation:		
Cash received from sales of products and providing of services	4,143,720,335	2,801,852,650
Refunds of taxes	7,200,844	34,104,292
Received other cash related to business activities	55,849,230	60,831,544
Subtotal of cash inflow from operating activities	4,206,770,409	2,896,788,486
Cash paid for the purchase of goods and services	3,008,914,465	2,100,360,348
Cash paid to and for employees	731,476,276	702,164,873
Payments of all types of taxes	155,606,959	256,715,266
Payment of other cash related to business activities	130,467,615	121,955,178
Subtotal of cash outflow from operating activities	4,026,465,315	3,181,195,665
Net cash flow from operating activities	180,305,094	-284,407,179
II. Cash flows from investing activities:		
Cash received from returns on investment	40,000,000	20,000,000
Cash received from returns on investment income	85,907	399,611
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	12,545,643	65,450
Cash received relating to other investing activities		37,892,400
Subtotal of cash inflows from investment activities	52,631,550	58,357,461
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	867,415,614	1,073,365,254
Cash paid for investment	42,800,000	
Cash paid relating to other investing activities		696,000
Subtotal of cash outflows from investing activities	3,491,466	
Net cash flows from investing activities	913,707,080	1,074,061,254
II. Cash flows from investing activities:	-861,075,530	-1,015,703,793
III. Cash flow from financing activities:		
Cash received from the loan	588,810,756	1,126,732,597
Other financing-related cash received	321,389,000	
Subtotal of cash inflows from financing activities	910,199,756	1,126,732,597
Cash paid for debt repayment	273,983,706	2,025,923,666
Cash paid for dividends, profits or interest payments	68,421,107	168,432,518
Payment of other cash related to financing activities	32,456,853	23,054,274
Subtotal of cash outflows from financing activities	374,861,666	2,217,410,458
Net cash flow from financing activities	535,338,090	-1,090,677,861
IV. Influence of exchange rate alternation on cash and cash equivalents	5,735,135	-2,330,424

V. Net increase in cash and cash equivalents	-139,697,211	-2,393,119,257
Plus: Balance of cash and cash equivalents at the beginning of term	3,051,261,655	4,594,018,251
VI. Balance of cash and cash equivalents at the end of term	2,911,564,444	2,200,898,994

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

(II) The first implementation of the new accounting standards from 2024 to adjust the first implementation of the financial statements at the beginning of the year related items

Applicable Not applicable

(III) Report of the Auditors

Whether the First Quarter Report has been audited or not

Yes No

The First Quarter Report hasn't been audited.

Board of Directors of
CSG Holding Co., Ltd.
29 April 2024