

Stock code: 000012; 200012;
112021; 112022;

Short form of the stock: CSG A; CSG B
10 CSG 01; 10 CSG 02

Notice No.: 2013-018

CSG HOLDING CO., LTD.

SUMMARY OF SEMI-ANNUAL REPORT 2013



Chairman of the Board:

ZENG NAN

August 2013

SUMMARY of SEMI-ANNUAL REPORT 2013

1. Important Notice

(1)

The summary of semi-annual report is excerpted from the full text of the semi-annual report. For the details, investors should carefully read the full text of the semi-annual report published on Juchao Information website (www.cninfo.com.cn) and Shenzhen Stock Exchange Website and so on which appointed by CSRC.

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.

(2) Company profile

Short form for share	Southern Glass A、 Southern Glass B	Code for share	000012、 200012
Listing stock exchange	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Zhou Hong	Li Tao	
Tel.	(86)755-26860666	(86)755-26860666	
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2. Main accounting data and changes of the shareholders

(1) Main accounting data

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

Yes No

	The report period (Jan. to Jun.2013)	The same period of last year	Increase/decrease in this report period year-on-year (%)
Operating income (RMB)	3,536,965,783	3,345,250,485	5.73%
Net profit attributable to shareholders of the listed company(RMB)	353,719,746	246,093,185	43.73%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	323,142,979	120,362,258	168.48%
Net cash flow arising from operating activities(RMB)	707,258,712	847,912,135	-16.59%
Basic earnings per share (RMB/Share)	0.17	0.12	41.67%
Diluted earnings per share (RMB/Share)	0.17	0.12	41.67%
Weighted average ROE (%)	5.1%	3.56%	1.54%
	End of this period	End of last year	Increase/decrease in this period-end over the same period of last year-end (%)
Total assets (RMB)	15,314,128,012	14,335,809,746	6.82%
Net assets attributable to shareholder of listed company (RMB)	6,849,195,684	6,816,210,753	0.48%

(2) Particulars about top ten shareholders

Total shareholders in reporting period		204,338				
Particulars about top ten shareholders						
Full name of Shareholders	Nature of shareholder	Proportion of shares held (%)	Total shares held	Amount of restricted shares held	Number of share pledged/frozen	
					Share status	Amount
China Northern Industries Corporation	State-owned legal person	3.62%	75,167,934	0		
Xin Tong Chan Industrial Development (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	3.01%	62,520,000	0		
Shenzhen International Holdings (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	2.88%	59,778,813	0		
ICBC-Lion Stock Securities Investment Funds	Domestic non state-owned legal person	1.85%	38,367,715	0		
ICBC- Lion Value Growth Stock Securities Investment Funds	Domestic non state-owned legal person	1.37%	28,456,440	0		
China Merchants Securities Co., Ltd. Securities Account of Guarantee for Clients Credit Transaction	Domestic non state-owned legal person	0.85%	17,630,799	0		
BOC- Lion Huixin Preservation Mix Securities Investment Fund	Domestic non state-owned legal person	0.83%	17,170,728	0		
CCB- Fortune SGAM Multi-strategy Growth Securities Investment Fund	Domestic non state-owned legal person	0.8%	16,660,441	0		
CMBC- Yinhua Shenzhen Stock 100 Index Classification Securities Investment Fund	Domestic non state-owned legal person	0.8%	16,545,460	0		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.79%	16,298,364	0		
Statement on associated relationship or consistent action among the above shareholders:	Among shareholders as listed above, Shenzhen International Holdings (Shenzhen) Co., Ltd. and Xin Tong Chan Development (Shenzhen) Co., Ltd. are holding enterprises and belong to controlling enterprise of Shenzhen International Holdings Co., Ltd.; ICBC-Lion Stock Securities Investment Funds, ICBC- Lion Value Growth Stock Securities Investment Funds and BOC- Lion Huixin Preservation Mix Securities Investment Fund are the same fund manager of Lion Fund Management Co., Ltd. Except for this, It is unknown whether other shareholders belong to related party or have associated relationship regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.					
Explanation on shareholders involving margin business (if applicable)	N/A					

(3) Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

 Applicable Not applicable

Changes of actual controller in reporting period

 Applicable Not applicable

3. Management discussion and analysis

In the first half year of 2013, the global economies still moved forward slowly. The developed economies and emerging economies were confronted with different dilemma leading trade protectionism in all forms rising obviously. The Chinese economy not only continued to encounter challenges of insufficient overseas market demand, frequent trade friction, imported inflation pressure and impact of hot money, but also confronted with multi-pressures from real estate control, economic restructuring as well as over capacity in majority of the industries. It is a rough way as before for domestic real economy to revive in front of so many unfavorable factors. Photovoltaic industry in particular, being influenced by both over capacity and trade protection from European & American, relevant manufacture enterprises were still in difficulties. Confronting the ups and downs of economic environment, the Company took full use of self-advantage, continued to optimized mechanism of R&D innovation, enlarged investment in R&D, positively coped the negative influences of marketing environment with technology innovation, management innovation, further deepened the differentiation management tactic, meanwhile comprehensively pushed on complex management of energy and consolidated foundation of refinement management and management infrastructure. In the first half year of 2013, CSG implemented operating income of RMB 4,289 million, operating income of RMB 3,537 million obtained after offsetting related transaction, a year-on-year growth of 5.73%; net profit of RMB 354 million (already deducted minority shareholders profit and loss), a year-on-year growth of 43.73%. After deducting non-recurring gains/losses, net profit of CSG gains more RMB 203 million over the same period of last year, a 168.48% rise.

Flat glass industry: After encountering losses of the whole industry in 2012, price of float glass had a certain rebound as a whole in the first half year of 2013. Profitability of the industry gains a certain recovery due to continuing to intensify cost control, energy saving and vigorously promote of differentiated products from business division of float glass. In the first half year of 2013, flat glass division realized income of RMB 1,791 million, a year-on-year growth of 21.58%, profit of RMB 162 million while the industry suffered business loss of RMB 0.86 million in same period of last year.

Architectural glass industry: In the first half year of 2013, under the influence of real estate control, architectural glass showed a slowdown in market demand. Furthermore, with the price of float glass rising as a whole, architectural glass suffered a certain influence in profitability. Architectural glass division continued to stabilize the business through ceaselessly strengthening in management and actively promoting sales of energy-saving products with better performance. In the first half year, architectural glass division realized sales income of RMB 1.228 billion (related transaction deducted), a year-on-year growth of 7.8%; net profit of RMB 0.188 billion, a slight year-on-year decline.

Fine glass industry: In the first half year of 2013, fine glass industry kept a sustainable growth, however, with competitive pressure intensified, profitability of fine glass industry faced challenges. Fine glass division fully explored industrial advantages, unceasingly developed new products, effectively expanded scale of capacity and increased yield of high-value-added products. In the first half year of 2013, the division achieved sales proceed of RMB 443 million, net profit of RMB 114 million. Income and profitability maintained relatively stable.

Solar energy industry: The industry suffered a lot due to PV market still hovering at the bottom, coupled with anti-dumping and anti-subsidy from Europe and America announced one after another against domestic solar products. The whole industry remained in a serious deficit condition. For positively coping with the severe market environment, the Company has made an overall technical upgrading and transforming in order to lower production cost dramatically and improve competitiveness of the products in production line of polysilicon. The improvement has been completed basically at present. At the same time, solar energy division actively explored domestic market while continued to improve the products. In the first half year of 2013, Dongguan CSG PV Tech Co., Ltd. realized profit. PV industry of the Company achieved sales proceed of RMB 468 million (related transaction deducted) in the first half year of 2013, loss of RMB 9.47 million, significantly reduced loss of nearly RMB 45 million compared with the same period of last year; Dongguan CSG PV Tech Co., Ltd. realized profit of over RMB 25 million.

4. Matters relevant to financial report

(1) Particulars about the change of consolidation range compared with the financial report of last year

Consolidation range of the current period increases two consolidated companies: Yichang CSG Display Technology Co., Ltd., Yichang Nanbo Photoelectric Glass Co., Ltd.

(i) Yichang CSG Display Technology Co., Ltd. (“Yichang Display”) was founded in Hubei on 4 January 2013. The Group, Xinhui Technology Co., Ltd. and Shenzhen Zhongfusheng Investment Partnership respectively hold 67.47%、27.22% and 5.31% of its equity. The capital invested by the Group was all in cash.

(ii) The Group purchased 73.58% of the equity of Yichang Hejing Photoconductive Ceramics Co., Ltd. (The company’s name was changed as Yichang Nanbo Photoelectric Glass Co., Ltd. namely “Yichang Photoelectric”) with RMB 61.8072 million in January 2013. The capital invested by the Group was all in cash.

**Board of Directors of
CSG Holding Co., Ltd.
6 August 2013**