

Stock code: 000012; 200012;
112022;

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

Notice No.: 2016-037

CSG HOLDING CO., LTD.

SUMMARY OF SEMI-ANNUAL REPORT 2016



Chairman of the Board:

ZENG NAN

August 2016

SUMMARY of SEMI-ANNUAL REPORT 2016

1. Important Notice

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.

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	Representative of security affairs	
Name	Zhou Hong	Ma Limei	
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.2016)	The same period of last year	Increase/decrease year-on-year (%)
Operating income (RMB)	4,228,165,642	3,323,039,502	27.24%
Net profit attributable to shareholders of the listed company(RMB)	466,883,254	205,767,344	126.90%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	423,523,383	64,267,683	559%
Net cash flow arising from operating activities(RMB)	1,046,720,349	352,563,820	196.89%
Basic earnings per share (RMB/Share)	0.22	0.10	120%
Diluted earnings per share (RMB/Share)	0.22	0.10	120%
Weighted average ROE (%)	5.99%	2.47%	Increased by 3.52 percentage points
	End of this period	End of last year	Increase/decrease in this period-end over that of last year-end (%)
Total assets (RMB)	16,975,221,410	15,489,600,160	9.59%
Net assets attributable to shareholder of listed company (RMB)	7,716,520,542	7,874,310,997	-2.00%

(2) Particulars about top ten shareholders

Unit: share

Total shareholders at the end of the report period	139,047
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Particular about top ten shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held (%)	Total shares held at the end of report period	Changes in report period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							Share status	Amount
Foresea Life Insurance Co., Ltd. – Haili Niannian	Domestic non state-owned legal person	21.78%	452,021,277	94,642,217		452,021,277		
China Northern Industries Corporation	State-owned legal person	3.62%	75,167,934	0		75,167,934		
Shenzhen Jushenghua Co., Ltd.	Domestic non state-owned legal person	2.87%	59,552,120	0		59,552,120		
Central Huijin Investment Ltd.	State-owned legal person	1.92%	39,811,300	0		39,811,300		
Shenzhen International Holdings (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	1.78%	37,040,200	0		37,040,200		
China Galaxy International Securities (H.K.) Co., Ltd.	Foreign legal person	1.38%	28,692,212	-380,400		28,692,212		
China Merchants Securities (Hongkong) Co., Ltd.	State-owned legal person	1.36%	28,305,848	18,624,797		28,305,848		
China Securities Finance Corporation	Domestic non state-owned legal person	1.27%	26,357,447	0		26,357,447		
Xintongchan Industrial Development (Shenzhen) Co., Ltd.	Domestic non state-owned legal person	0.70%	14,459,899	0		14,459,899		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.64%	13,280,792	0		13,280,792		
Statement on associated relationship or consistent action among the above shareholders:	<p>Among shareholders as listed above, 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 27,625,299 shares via China Galaxy International Securities (H.K.) Co., Ltd.</p> <p>Shenzhen International Holdings (Shenzhen) Co., Ltd. and Xintongchan Industrial Development (Shenzhen) Co., Ltd. are holding enterprises and belong to controlling enterprise of Shenzhen International Holdings Co., Ltd.</p> <p>Except for the above-mentioned shareholders, It is unknown whether other shareholders belong to related party or have associated relationship regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.</p>							
Explanation on shareholders involving margin business (if applicable)	<p>As of 30 June 2016, the Company's shareholder, Shenzhen Jushenghua Co., Ltd., held 59,552,120 shares in total with 0 share in its general account and 59,552,120 shares via the client credit trading guarantee account of China Galaxy Securities Co., Ltd.</p> <p>59,552,120 shares of Shenzhen Jushenghua Co., Ltd. which were held via the credit securities account by margin trading mode were directly returned to its general account on 12 July 2016.</p>							

(3) Particular about preferred share held by top ten shareholders

Applicable Not applicable

There was no preferred share held by the Company's shareholders.

(4) Changes of controlling shareholder or actual controller

Changes of controlling shareholder in the report period

Applicable Not applicable

There was no change of controlling shareholder in the report period.

Changes of actual controller in the report period

Applicable Not applicable

There was no change of actual controller in the report period.

3. Management discussion and analysis

In the first half year of 2016, the global economic situation was turbulent, the recovery of the main economies remained weak, and risk events occurred frequently. Under the background of a slowdown in the global economic growth and increasing uncertainty, along with Chinese economy structure adjustment being further strengthened, industrial enterprises achieved profit growth, the measure of "Removing Excess Capacity" achieved initial success, and the overall economy achieved a steady growth.

In the first half year of 2016, market situation of the Company's involving industries got better comparing with the corresponding period of last year. Confronted with favorable market situation, under the leadership of the Board, CSG's management team insisted on the professional spirit of professional managers, continued to adhere to the professional ethics of "Loyalty and Integrity, Diligence and Conscientiousness", carried forward the enterprise spirit of "Realistic and Innovative, United and Efficient", and promptly seized market opportunities and all the business got outstanding achievements. Especially, flat glass industry and solar energy industry achieved marvelous achievements. In the first half year, the Company realized operating revenue of RMB 4,228.17 million, with a year-on-year increase of RMB 905.13 million and growth rate of 27.24%. Net profit attributable to parent company was RMB 466.88 million, with a year-on-year increase of RMB 261.12 million and growth rate of 126.90%. Net profit attributable to shareholders of parent company after deducting non-recurring gains and losses was RMB 423.52 million, with a year-on-year increase of RMB 359.26 million and growth rate of 559%.

In the first half year of 2016, the prices of flat glass products held comparatively firm. With the reduction of natural gas price, prime costs were reduced and profitability of the whole industry increased significantly. Flat glass division of the Company promptly seized market opportunities, continued to reinforce cost control, energy saving, and promote the manufacture and sales of differentiated and high-grade products. In the first half year, flat glass division realized revenue (external sales) of RMB 1,569.19 million with a year-on-year increase of 24.94%, and book net profit of RMB 209.15 million with a year-on-year increase of 4369.02%.

In the first half of 2016, market competition for architectural glass continued to intensify, the overall prices continued to decline, but the market demand was sizable. Architectural glass industry of the Company further strengthened management and proactively promoted the sales of differentiated products. In the first half year, architectural glass division realized revenue (external sales) of RMB 1,313.42 million, the same level as the corresponding period of last year, and book net profit of RMB 150.33 million with a year-on-year decrease of 15.36%.

In the first half of 2016, both domestic and international PV market maintained a good growth momentum. Solar energy division of the Company grasped market opportunities, actively explored new market and expanded production capacity. In the first half year, PV industry realized revenue (external sales) of RMB 1,254.77 million with a year-on-year increase of 102.71%, and book net profit of RMB 198.21 million with a year-on-year increase of 3323.32%.

In the first half year of 2016, as market competition for middle and low end electronic glass products was further increasing, the display industry remained in the doldrums. However, the market of medium and high end products of electronic glass stayed steady, and new display product market developed rapidly. In order to enhance the profitability of the Company's electronic glass and display industry, the Company established Electronic Glass and Display Division, incorporating its subsidiaries in the field into the management of the division, and actively promoted development and production of medium and high end products and new products according to market conditions. The division realized revenue (external sales) of RMB 89.71 million and book net profit of RMB minus 3.4 million.

4. Matters relevant to financial report

(1) Particulars about the change of accounting policy, accounting estimate and accounting method compared with the annual financial report of last year

Applicable Not applicable

There was no change of accounting policy, accounting estimate and accounting method in the report period.

(2) Particulars about retroactive adjustment or re-statement on major accounting error correction

Applicable Not applicable

There was no retroactive adjustment or re-statement on major accounting error correction in the report period.

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

Applicable Not applicable

In June 2016, the Company purchased 16.10% equity of Shenzhen CSG Display Technology Co., Ltd. and therefore the subsidiary was included the consolidation range of the Company.

In June 2016, the Company purchased 100% equity of Xianning Fengwei Technology Co., Ltd. and therefore the new company was included the consolidation range of the Company.

(4)Statement of Board of Directors, Board of supervisors on non-standard audit report from CPA for the report period

Applicable Not applicable

**Board of Directors of
CSG Holding Co., Ltd.
16 August 2016**