CSG TECHNOLOGY HOLDING CO., LTD.

SEMI-ANNUAL REPORT 2003

CEO：Zeng Nan

July 2003

Important Notice

The Board of Directors of CSG Technology Holding Co., Ltd. (hereinafter referred to as Company) hereby confirms that there are no important omissions, fictitious statements or serious misleading information carried in this report, and shall take all responsibilities, jointly and severally, for the truthfulness, accuracy and completeness of the whole contents.
Chairman of the Board of Company Mr. Chen Chao, CEO Mr. Zeng Nan and Chief financial supervisor Ms. Sun Jingbo hereby confirm that the Financial Report of the Annual Report is true and complete.
The semi-annual financial report of Company had not been audited.

This Report is prepared both in Chinese and in English. Should there be any difference in interpretation of the text between the two versions, the Chinese version shall prevail.

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I Company Profile

i Legal Name of the Company
In Chinese: 中国南玻科技控股（集团）股份有限公司
In English: CSG Technology Holding Co., Ltd.
Short Form in Chinese: 南玻集团
Short Form in English: CSG

ii Stock Exchange Listed with: Shenzhen Stock Exchange
Short Form of the Stock (A-share): Southern Glass Technology
Short Form of the Stock (B-share): Southern Glass B
Stock Code (A-share): 000012
Stock Code (B-share): 200012

iii Registered Address and Office Address of the Company:
CSG Building, No.1, 6th Industrial Road, Shekou, Shenzhen, P.R.China
Post Code: 518067
Company's Internet Web Site: http://www.csgholding.com
E-mail: nbdnb@public.szptt.net.cn

iv Legal Representative: Chen Chao

v Secretary of the Board of Directors: Wu Guobin
Authorized Representative in Charge of Securities Affairs: Li Tao
Contact Address:
CSG Building, No.1, 6th Industrial Road, Shekou, Shenzhen, P.R.China
Tel: (86) 755-26860666
Fax: (86) 755-26692755
E-mail: szcsgcsg@public.szptt.net.cn

vi Newspapers for Disclosing the Information:
China Securities Journal, Securities Times and Ta Kung Pao
Internet Web Site Designated by China Securities Regulatory Commission for Publishing the Annual Report: http://www.cninfo.com.cn
The Place Where the Annual Report is Prepared and Placed:
Assets & Securities Department,
5/F, CSG Building, No.1, 6th Industrial Road, Shekou, Shenzhen, P.R.China

II Major financial data and indexes

i Major accounting data and financial indexes (Unit: In RMB'000)

	30 June, 2003	31 December, 2003	Increase/decrease at the end of this report period compare with the year-beginning (%)
Current assets	785,632	739,696	6.21
Current liabilities	1,112,126	840,977	32.24
Total assets	3,244,607	2,978,128	8.95
Shareholders' equity	2,002,079	2,011,116	-0.45
Net assets per share (RMB)	2.96	2.97	-0.45
	Jan.~Jun., 2003	**Jan.~Jun., 2002**	**Increase/decrease in this report period compared with the same period of last year (%)**
Net profit	92,512	84,557	9.41
Earnings per share (RMB)	0.14	0.12	9.41
Rate of return on equity (%)	4.62	4.37	5.72
Net cash flow form operating activities	210,820	80,634	1641.45

ii Difference in net profit as audited by Chinese Accounting Standards and International Accounting Standards respectively (Unit: In RMB'000)

As reported under IAS:	91,895
Derecognition of long-term deferred expenses and reversal of the related amortization charge	132
Recognition of sales of properties based on transfer of title	485
As reported under CAS:	92,512

III Changes in Share Capital and Particulars about Share held by major Shareholders

i Both Company's total shares and its structure remained unchanged in the report period.

ii By the end of the report period, Company had 61,534 shareholders in total, including 25,935 shareholders of A-share and 35,599 shareholders of B-share.

iii Particulars about shares held by the top ten shareholders at the end of the report period

No.	Name of shareholders	Increase/ decrease in the report year (share)	Holding shares at the year-end (share)	Proportion (%)	Type of shares	Number of share pledged or frozen	Nature of share-holders
1	Yiwan Industrial Development (Shenzhen) Co., Ltd.	0	87,898,367	12.98	Non-circulating	No	Foreign shareholder
2	China Northern Industry Shenzhen Corporation	0	87,175,364	12.88	Non-circulating	No	
3	Xin Tong Chan Development (Shenzhen) Co., Ltd.	0	76,204,633	11.26	Non-circulating	No	Foreign shareholder
4	China Merchants (Glass Industry) Holding Co., Ltd.	0	11,217,572	1.66	Circulating	Unknown	
5	Shenzhen Jun An Securities Co., Ltd.	0	5,878,371	0.87	Non-circulating	No	
6	China Merchants Securities Co., Ltd.	0	3,808,883	0.56	Non-circulating	No	
7	San Xia Securities Co., Ltd.	0	3,721,727	0.55	Circulating	Unknown	
8	Shenzhen Shifang Commercial Advisory Co., Ltd	0	1,914,689	0.28	Non-circulating	No	
9	Yu Ching	0	1,606,066	0.24	Circulating	Unknown	
10	Nomura TB/Nomura ITM	Unknown	1,500,000	0.22	Circulating	Unknown	
10	Merrill Lynch International	Unknown	1,500,000	0.22	Circulating	Unknown	

There existed the associated relationship between Yiwan Industrial Development (Shenzhen) Co., Ltd. And Xin Tong Chan Development (Shenzhen) Co., Ltd., which controlled by Shenzhen International Holdings Limited. Except for this, there existed no associated relationship among the other shareholders.

iv In the report period, the controlling shareholder of Company remained unchanged.

IV Particulars about Directors, Supervisors, Senior Executives

i In the report period, directors, supervisors and senior executives held 242,608 shares of Company in total, and the aforesaid shares were frozen. The number of the shares of Company held by them remained unchanged.

ii Particulars about changes of directors, supervisors and senior executives

On 9 May 2003, 2002 Shareholder's General Meeting of Company agreed that Mr. Sun Chengming and Mr. Zhou Daozhi resigned from their post as director and independent Director. And elected Mr. Zhang Jianjun as independent director of Company, elected Mr. Zhou Daozhi as director of Company.

V Discussion and Analysis of the Management

i Discussion and analysis of the operation

The first half of 2003, the situation of Company's operation is better than the same time of the last three years. Although some significant events happening at home and abroad impacted adversely on the production, operation and construction of Company, such as "SARS", the War in Iraq and the large increase of the international oil price, the great fluctuation of the international exchange rate. Facing these difficulty, Company accomplished the main tasks of the first half of the year and realized the best historical level over the same period in terms of profits through strengthening the management, operating carefully, overcoming the various difficulties and the disadvantageous factors. In order to further cultivate and reinforce the core competitive capability, Company has also found a solid foundation for the future development through the investment plan of constructing production lines of special glass in Guangzhou and enlarging the auxiliary production capability of car glass in the first half of the year.

ii Operation in the report period

(i) Scope of main business and the operation

Scope of main business: R& D, production and operation raw sheet of high-grade float glass, architectural glass, delicacy glass, automotive glass, new-typed electronic components and structure ceramic materials, design and installation of the works of glass curtain wall, investment and holding shares etc.

Business segments (Unit: RMB'000)

	1 Jan.~30 Jun., 2003	1 Jan.~30 Jun., 2002	Over the same period of last year (%)
Sales of products	556,772	468,822	18.76
Sales of properties	14,263	20,121	-29.11
Rent income	1,962	1,002	95.81
Total	572,997	489,945	--

Business segment information is not presented as the sales of glass products accounted for more than 90% of the consolidated revenue and results of Company.

Company's activities are conducted predominantly in the PRC, the presentation of geographical segment is considered to be not meaningful.

(ii) In the report period, the profit structure, main business and its structure and profitability capability of main business of Company accrued no material change.

(iii) Company had no other operating business activities that impacted significantly on the profits in the report period.

(iv) In the report period, there was no individual share-holding company whose investment income impacted on the net profit of Company over 10%.

(iv) Problems and difficulties arising from the operation

a. The industrial competition of the main products is intense and their price further decreased.

b. The mode, method and strength of the market development should be further improved and reinforced.

c. The great fluctuation of the international market of exchange rate and the large increase of the international oil price made more difficult to control the production cost and construction cos.

d. The disposal of stock assets of properties has not reached the progress as expected.

iii Investment in the report period

(i) In the report period, the Company did not raise any fund through share offering or used any fund raised through previous share offering till the report period.

(ii) The actual progress of material investment with the funds not rose through share offering in the report period

a. The refined coating glass production line has been put into thorough production formally at the beginning of the year. Its production and operation status is good.

b. Tianjin CSG Architectural Glass Co., Ltd. has entered into the equipments installation phase at present.

c. The project of Colored Filter of Refined Glass Division is in the prophase preparation phase.

d. The special glass production line is in the prophase preparation phase.

e. The expansion of car glass production lines has entered into the equipments installation and debugging phase partially.

iv Company has not ever disclosed the profitability forecast and relevant plans and prospects.

v Company has not revised the business plan of the report year disclosed in Annual Report 2002.

vi The operation of Company was stable. And it is estimated that the net profit of the end of the next report period shall not change by a big margin compared with the corresponding period of the last year.

vii Semi-annual Financial Report 2003 of Company has not been audited by Certified Public Accountants.

VI Significant Events

i Company Administration

Strictly according to the PRC Company Law, the Securities Law and other relevant laws and regulations issued by China Securities Regulatory Commission (CSRC), the Company has consistently improved the legal person administration structure, established modern enterprise system and standardized the operation of the Company. Company established and improved Articles of Association, Rules of Procedures of the Board of Directors, Work Rules of General Manager, Conference System of CSG and etc. As a whole, the operation and management of Company was in compliance with the requirements of the normative documents relating to the administrative structure of listed companies promulgated by CSRC and State Economy and Trade Commission. Company shall draft the setting projects and relevant detailed rules of implementation of each special committees of the Board of Directors as soon as possible according to the requirement of the relevant laws and regulations.

ii Profit distribution plan

(i) Implementation of profit distribution plan implemented in the report period

Shareholder’s General Meeting 2002 of Company held on 9 May 2003 has passed Profit Distribution Plan 2002: Based on the total share capital amounting to 676,975,416 shares at the end of 2002, to distribute dividends to all shareholders at the rate of cash RMB 1.5 (including tax) for every 10 shares. Company has published the public notice of bonuses distribution on 12 June 2003 and implemented the cash distribution work on the middle of June.

(ii) Midterm Profit Distribution Plan: Company shall neither distribute profits nor convert public reserve into share capital in the midterm.

iii Significant Lawsuits and Arbitration

The case of the “Home of Overseas Chinese” between Hainan CSG Industrial Development Co. (Hainan CSG), a wholly owned subsidiary company of Company, and Hainan Yuehai Construction Economic Development Co. (Yuehai Company) was judged on Nov. 26, 1999 at Hainan Provincial Intermediate People’s Court with (1999) HNMCZ No. 12 Civil Judgment. The judgment requested Yuehai Company to refund the house funds amounting to RMB 17,153,423.36 and 70% of the interest lose of this fund to Hainan CSG, and requested Hainan CSG to return all the unsold houses of Home of Overseas Chinese. Company appealed to Hainan Provincial High People’s Court due to dissatisfaction to the initial judgment. But the High People’s Court upheld the initial judgment on Aug. 30, 2000 with (2000) QMZZ No. 28 Civil Judgment. Hainan CSG still considered that the judgment was somewhat unfair and interest of the company suffered impingement. Then, Hainan CSG appealed to the Supreme People’s Court of the People’s Republic of China in Dec. 2000. Supreme People’s Court of the People’s Republic of China judged to withdraw the judgments of Hainan Provincial Intermediate and High People’s Court and demanded retrial at Hainan Provincial High People’s Court with (2000) MJZ No. 568 Judgment on Sept. 6, 2001. At present, Company has received circular from Hainan High People’s Court that decided to hold a court on Sep. 1, 2003.

iv In the report period, Company conducted neither sales and purchase of assets nor consolidation and merge.

v In the report period, there was no significant related transaction of the Company.

vi Material contracts and their implementation
(i) In the report period, Company has no been involved in any material trusteeship, contracting and lease of other companies' assets. Also, there was no plan of assets' trusteeship, contracting and lease of Company in the report period.
(ii) In the report period, there was no material guarantee contract.
(iii) In the report period, Company did not entrust others to manage the cash assets.

vii In the report period, Shareholders holding over 5% shares of Company made no commitment, which was possible to impact significantly on the operating results and financial status of Company.

viii In the report period, Company, the Board of Directors and its directors had never been checked and given administrative punishment or circular notices of criticism by the China Securities Regulatory Commission, and never been punished by other administrative nor been condemned publicly by the Stock Exchange. The directors of Company and relevant persons in the management have not been involved in the judicial forcible measure.

ix Index of important information
The public notices in the report period all have been released in Securities Times, China Securities, Ta Kung Pao and website http://www.cninfo.com.cn

Time	Number	Name
Jan. 24, 2003	2003-001	Public Notice on Resolutions of the 5th meeting of the 3rd Board of Directors and Holding the 1st Extraordinary Shareholders' General Meeting in 2003
Mar. 1, 2003	2003-002	Public Notice on Resolutions of 1st Extraordinary Shareholders' General Meeting in 2003
Apr. 4, 2003	2003-003	Public Notice on Resolutions of the 6th meeting of the 3rd Board of Directors and Holding Shareholders' General Meeting 2002 Annual Report Summary 2002
Apr. 26, 2003	2003-005	Public Notice on Resolutions of the 7th meeting of the 3rd Board of Directors The 1st Quarterly Report in 2003
May 13, 2003	2003-007	Public Notice on Resolutions of Shareholders' General Meeting 2002
Jun. 12, 2003	2003-008	Public Notice on Dividends Allotment 2002

VII. Financial Reports (Un-Audited)

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2003

	Notes	**Jan.~Jun., 2003** RMB'000	**Jan.~Jun., 2002** RMB'000
Sales	6	572,997	489,945
Cost of sales		(369,822)	(296,204)
Gross profit		203,175	193,741
Other operating income		5,020	7,778
Distribution costs		(43,625)	(35,840)
Administrative expenses		(44,845)	(54,723)
Other operating expenses		(673)	(5,539)
Profit from operations		119,052	105,417
Finance costs, net		(13,250)	(7,634)
Profit before tax		105,802	97,783
Income tax expense		(7,270)	(6,481)
Profit after tax		98,532	91,302
Minority interests		(6,020)	(6,745)
Net profit		92,512	84,557
Earnings per share		RMB 0.137	RMB 0.125

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS OF 30 JUNE 2003

	Jun. 30, 2003 RMB'000	Dec. 31, 2002 RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,097,261	1,692,554
Construction-in-progress	272,943	454,615
Land use rights	86,824	89,243
Intangible assets	(7,291)	(7,089)
Available-for-sale investments	8,792	8,663
Deferred tax assets	446	446
	2,458,975	2,238,432
Current assets		
Inventories	106,933	93,819
Properties held for sale	232,609	246,972
Trade receivables	216,353	172,000
Other receivables and prepayments	50,650	38,827
Cash and cash equivalents	179,087	188,078
	785,632	739,696
Total assets	3,244,607	2,978,128
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	676,975	676,975
Reserves	1,145,500	1,145,502
Retained earnings	179,604	188,639
	2,002,079	2,011,116
Minority interests	70,402	76,035
Non-current liabilities		
Borrowings	60,000	50,000
Current liabilities		
Trade and other payables	392,138	273,473
Current tax liabilities	11,188	7,770
Borrowings	708,800	559,734
	1,112,126	840,977
Total equity and liabilities	3,244,607	2,978,128

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2003

	Share capital RMB'000	Capital reserve RMB'000	Statutory common reserve fund RMB'000	Statutory public welfare fund RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2002	676,975	927,897	115,803	76,689	1,063	138,341	1,936,768
Dividend relating to 2001	-	-	-	-	-	(88,007)	(88,007)
Currency translation differences	-	-	-	-	(447)	-	(447)
Net profit for the year	-	-	-	-	-	162,802	162,802
Appropriation to reserve funds	-	-	16,331	8,166	-	(24,497)	-
Balance at 31 December 2002 and 1 January 2003	676,975	927,897	132,134	84,855	616	188,639	2,011,116
Dividend relating to 2002	-	-	-	-	-	(101,547)	(101,547)
Currency translation differences	-	-	-	-	(2)	-	(2)
Net profit for the year	-	-	-	-	-	92,512	92,512
Appropriation to reserve funds	-	-	-	-	-	-	-
Balance at 30 June 2003	676,975	927,897	132,134	84,855	614	179,604	2,002,079

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2003

	Notes	Jan.~Jun., 2003 RMB'000	Jan.~Jun., 2002 RMB'000
Cash flows from operating activities			
Cash generated from operations	7	229,191	95,197
Interest paid		(11,772)	(11,318)
Income tax paid		(6,599)	(3,245)
Net cash from operating activities		210,820	80,634
Cash flows from investing activities			
Purchase of property, plant and equipment		(267,529)	(181,726)
Purchase of land use rights		(593)	-
Proceeds from sale of property, plant and equipment		-	12,698
Interest received		635	934
Net cash used in investing activities		(267,487)	(168,094)
Cash flows from financing activities			
Proceeds from borrowings		865,357	-
Repayments of borrowings		(706,291)	138,997
Dividends paid to group shareholders		(99,780)	(85,342)
Dividends paid to minority interests		(11,653)	-
Capital contributed by minority shareholders of subsidiaries		-	9,311
Pledged bank deposits withdrawn		418	4,592
Net cash generated from (used in) financing activities		48,051	67,558
Effect of exchange rate changes		43	-
Net decrease in cash and cash equivalents		(8,537)	(19,902)
Cash and cash equivalents at beginning of year		179,865	182,169
Cash and cash equivalents at end of year		171,292	162,267

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2003

1. General information

CSG Technology Holding Co., Ltd. (the “Company”) was incorporated in September 1984 in the Shenzhen, People’s Republic of China (the “PRC”) as a joint venture enterprise, namely China Southern Glass Co., Ltd.. The four invertors are China Merchants Steam Navigation Limited, Shenzhen Building Materials Industrial (Group) Corporation, China North Industries Corporation and Guangdong International Trust and Investment Corporation.
Company was reorganized as a joint stock limited company in October 1991. The Company’s domestic shares (“A Shares”) and domestically listed foreign shares (“B Shares”) have been listed on the Shenzhen Stock Exchange since February 1992. Company changed name to China Southern Glass Holding Co., Ltd. in March 1993, and changed name to CSG Technology Holding Co., Ltd. in August 2001. The Registered Capital of Company is RMB 676,975,416 as of 30 June 2003.

The shares held by organizer have no change form 31 December 2002 to 30 June 2003.

Company and its subsidiaries (the “Group”) principally engaged in R& D, production and operation raw sheet of high-grade float glass, architectural glass, delicacy glass, automotive glass, new-typed electronic components and structure ceramic materials, design and installation of the works of glass curtain wall, development and management property.

2. Accounting policies

The principal accounting policies adopted in the report period is same as the last year.

3. Taxation

The principal taxations are business tax, value added tax, enterprise and municipal income tax. Company and its subsidiaries’ tax rates of business tax and value added tax in the report period have no change. Preferential of enterprise and municipal income tax of Shenzhen CSG Safety Glass Co., Ltd. expired in the report period and the income tax rate 15% replaced 7.5%. Shenzhen Nanbo Structure Ceramics Co., Ltd. are entitled to full exemption form income tax for the first two years and a 50% reduction in income tax for the following three years, commencing from the first profitable year after offsetting all tax losses carried forward form the previous years. This year is the 3^{rd} profitable year for Shenzhen Nanbo Structure Ceramics Co., Ltd. and the income tax rate is 7.5%.

4. Change of accounting consolidation scope

In comparison with 2002, China Southern Glass (Hong Kong) Ltd. has been included consolidation scope since 1 January 2003. Company set up China Southern Glass (Hong Kong) Ltd., which is a wholly owned subsidiary of Company in January 2003. And this company are principally engaged in glass business in Hong Kong market.

5. Earnings distribution

The earnings does not distribute to shareholder in the report period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2003

6. Sales income

Sales, as disclosed net of applicable business tax and value-added tax, comprise:

	1 Jan.~30 Jun., 2003 RMB'000	1 Jan.~30 Jun., 2002 RMB'000
Sales of products	556,772	468,822
Sales of properties	14,263	20,121
Rent income	1,962	1,002
	572,997	489,945

Business segment information is not presented as the sales of glass products accounted for more than 90% of the consolidated revenue and results of the Group.
The Group's activities are conducted predominantly in the PRC, the presentation of geographical segment is considered to be not meaningful.

7. Cash generated from operations

	Jan.~Jun., 2003 RMB'000	Jan.~Jun., 2002 RMB'000
Net profit	92,512	84,557
Adjustments for:		
Minority interests	6,020	6,745
Income tax expense	7,270	6,481
Depreciation	61,517	50,491
Amortization and write-off of intangible assets	319	297
Amortization of land use rights	1,667	1,686
Loss/(Profit) on disposals of property, plant and equipment	442	61
Impairment charge/(Write back of impairment charge) for available-for-sale investments	(8,343)	(256)
(Write back of provision)/Provision for obsolescence of inventories	27	-
Provision for doubtful accounts	532	188
Interest expense	11,772	11,318
Interest income	(635)	(934)
	173,100	160,634
Changes in working capital:		
Inventories	(13,141)	(29,547)
Properties held for sale	22,706	5,914
Trade receivables	(44,885)	(58,030)
Other receivables and prepayments	(11,823)	-
Trade and other payables	103,234	19,226
	229,191	95,197

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2003

8. Principal subsidiaries

As of 30 June 2003, the Company has direct/indirect interest in the following principal subsidiaries:

Name	Place of incorporation	Principal activities	Percentage of equity interest held	
			30 Jun., 2003	31 Dec., 2002
Shenzhen CSG Southern Star Glass Processing Co., Ltd.	PRC	Glass processing	100%	100%
Shenzhen Nanfeng Glass Machinery Co., Ltd.	PRC	Production of glass manufacturing machinery and related equipment	100%	100%
Shenzhen CSG Architectural Glass Co., Ltd.	PRC	Glass processing	100%	100%
Hainan Southern Glass Industrial Development Co., Ltd.	PRC	Property development and investment	100%	100%
Southern Glass (Wuhan) Industrial Development Co., Ltd.	PRC	Property development and investment	100%	100%
China Southern Glass (Australia) Pty. Limited	Australia	Glass trading	100%	100%
Shenzhen Nanbo Spandrel and Tempglass Co., Ltd.	PRC	Production of colour-coated glass	100%	100%
Shenzhen Nanbo Structure Ceramics Co., Ltd.	PRC	Production of structural ceramic products	100%	100%
Shenzhen Nanbo Curtain Wall Engineering Co., Ltd.	PRC	Interior decoration, design and installation	100%	100%
Shenzhen CSG Electronic Co., Ltd.	PRC	Production of electronic ceramic products	100%	100%
Shenzhen Southern Float Glass Co., Ltd.	PRC	Production of ultra-thin coated glass	100%	100%
Shenzhen CSG Automotive Glass Co., Ltd.	PRC	Production of car windows	100%	100%
Sichuan Southern Glass Industrial Development Co., Ltd.	PRC	Property development and investment	100%	100%
Hainan Wen Chang CSG Silica Sand Mine Company	PRC	Mining of silica sand	100%	100%
Beihai Nanbo Real Estate Development Co., Ltd.	PRC	Property development and investment	100%	100%
Tianjin Southern Glass Industrial Development Co., Ltd.	PRC	Property development	100%	100%
Shenzhen CSG Wellight Coating Glass Co., Ltd.	PRC	Production of coated glass	100%	100%
Shenzhen Nanbo Display Technology Co., Ltd.	PRC	Production of monitors	75%	75%
Shenzhen Hong Da Mirrors Limited	PRC	Production of glass mirrors	100%	100%
Shenzhen CSG Safety Glass Co., Ltd.	PRC	Production of safety glass	100%	100%
Shenzhen CSG Wellight Conductive Coating Co., Ltd.	PRC	Production of conductive glass products	70%	70%
Tianjin CSG Architectural Glass Company Limited	PRC	Production of special floating glass and specially processed glass (not yet commenced operation)	61%	61%
China Southern Glass (Hong Kong) Ltd.	H.K., PRC	Glass trading	100%	-
Hainan Southern Glass Property Management Co., Ltd.	PRC	Property management	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2003

9. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation in accordance with the new presentation and disclosure requirements.

10. Approval of financial statements

Certain comparative figures have been reclassified to conform to the current year's presentation in accordance with the new presentation and disclosure requirements.

SUPPLEMENTARY INFORMATION

The impacts of IFRS adjustments on PRC statutory financial statements are as follows:

	Consolidated net profit for the year ended 30 June, 2002 RMB'000	Consolidated net assets as at 30 June, 2002 RMB'000
As per the PRC statutory financial statements	91,895	1,999,718
Impact of IFRS adjustments:		
Recognition of deferred income tax	-	446
Derecognition of long-term deferred expenses and reversal of the related amortisation charge	132	(296)
Recognition of sales of properties based on transfer of title	485	2,211
As restated after IFRS adjustments	92,512	2,002,179

VIII. Documents for Reference

i Original of Semi-annual Report carried with the signature of CEO.

ii Original of Financial Report carried with the signature and seal of Chairman of the Board of Directors, CEO and Chief Financial Supervisor.

iii Original of all documents disclosed in public on the newspapers designated by China Securities Regulatory Commission in the report period.

vi Original of Articles of Association of Company.

Board of Directors of
CSG Technology Holding Co., Ltd.
July 25, 2003