Stock code: 000012 / 200012 Short form of the stock: CSG A / CSG B Notice No.: 2007-038

CSG HOLDING CO., LTD.

SUMMARY of SEMI-ANNUAL REPORT 2007

CEO:ZENG NAN

August 2007

§1 Important Notes

1.1 The board of directors, the supervisory committee, all directors, supervisors and the senior management of CSG Holding Co., Ltd. (hereinafter referred to as the Company) hereby confirms that there are no fictitious statements, serious misleading or important omissions information carried in this report, and shall take all responsibilities, jointly and severally, for the truthfulness, accuracy and completeness of the whole contents.

This summary is abstracted from the full text of Semi-annual Report 2007, which is published on website (http://www.cninfo.com.cn). And the investors are suggested to read the full text of semi-annual report to understand more details.

1.2 No director, supervisor and senior executive stated that they couldn't ensure the correctness, accuracy and completeness of the contents of the Semi-annual Report or have objection for this report.

1.3 The list of directors who absented the Board meeting.

Name of absence director	Reason of absence	Name of assignee
Xie Rudong	Took an official Business Leave	Zhang Jianjun

1.4 The Financial statements in this report are not audited.

1.5 Chairman of the Board of the Company Mr. Li Jingqi, CEO Mr. Zeng Nan and CFO Mr. Luo Youming hereby confirm that the Financial Statements of this report are true and complete.

§2 Company Profile

2.1 Basic information

Short form of stock	Southern Glass A, Southern Glass B	
Stock code	000012、200012	
Listed stock exchange	Shenzhen Stock Exchange	
	Secretary of the Board of Directors	**Securities Affairs Representative**
Name	Wu Guobin	Li Tao
Address	CSG Building, No.1, 6th Industrial Road, Shekou, Shenzhen, China	CSG Building, No.1, 6th Industrial Road, Shekou, Shenzhen, China
Telephone	(86) 755-26860666	(86) 755-26860666
Fax	(86) 755-26692755	(86) 755-26692755
E-mail	securities@csgholding.com	securities@csgholding.com

2.2 Major Financial Data and Indexes

2.2.1 Major accounting data and financial indexes

Unit: RMB'000

	30 June 2007	31 December 2006	Increase/decrease at the end of this report period compared with the end of last year (%)
Total assets	7,067,302	6,776,323	4.29
Shareholders' equity	2,351,406	2,632,511	-10.68
Net assets per share (RMB)	2.32	2.59	-10.42
	Jan.~Jun. 2007	**Jan.~Jun. 2006**	**Increase/decrease in this report period compared with the same period in last year (%)**
Equity holders on profit of the Company	148,748	152,183	-2.26
Earnings per share (RMB)	0.15	0.15	0
Rate of return on equity (%)	6.33	5.78	Increase 0.55% point
Net cash from operating activities	423,713	242,242	74.91
Net cash from operating activities per share	0.42	0.24	75.00

2.2.2 Items of non-recurring gains and losses

□ Applicable √ Inapplicable

2.2.3 Difference on net profit as audited by Chinese Accounting Standard (CAS) and International Accounting Standard (IAS)

√ Applicable □ Inapplicable

Unit: RMB'000

	CAS	IAS
Net profit	191,862	191,299
Explanation on difference	Acquisition of minority interest (563)	

§3 Changes in Share Capital and Particulars about Shareholders

3.1 Statement of change in share capital

√ Applicable ☐ Inapplicable

Unit: share

	Before the change		Increase / Decrease (+/-) as of the period		After the change	
	Amount	Proportion	Others	Sub-total	Amount	Proportion
Restricted shares	349,208,968	34.39	-168,720,982	-168,720,982	180,487,986	17.77
1. State-owned shares	0	0	0	0	0	0
2. State-owned legal person's shares	112,837,024	11.11	-50,773,156	-50,773,156	62,063,868	6.11
3. Other domestic investor's shares	236,371,944	23.28	-117,947,826	-117,947,826	118,424,118	11.66
Including:						
Domestic legal person's shares	236,232,385	23.27	-117,911,436	-117,911,436	118,320,949	11.65
Domestic natural person's shares	139,559	0.01	-36,390	-36,390	103,169	0.01
4. Foreign investor's shares	0	0	0	0	0	0
Including:						
Foreign legal person's shares	0	0	0	0	0	0
Foreign natural person's shares	0	0	0	0	0	0
Unrestricted shares	666,254,156	65.61	168,720,982	168,720,982	834,975,138	82.23
1. RMB ordinary shares	217,675,337	21.44	168,720,982	168,720,982	386,396,319	38.05
2. Domestically listed foreign shares	448,578,819	44.17	0	0	448,578,819	44.17
3. Overseas listed foreign shares	0	0	0	0	0	0
4. Others	0	0	0	0	0	0
Total shares	1,015,463,124	100	0	0	1,015,463,124	100

3.2 Statement of shares held by the top ten shareholders and the top ten shareholders of circulating share

Total number of shareholders at the end of the report period					69,392
Particulars about shares held by the top ten shareholders:					
Name of shareholders	**Nature**	**Total amount**	**Proportion**	**Restricted shares**	**shares pledged or frozen**
Yiwan Industrial Development (Shenzhen) Co., Ltd.	Domestic legal person's shares	113,256,408	11.15%	62,483,252	0
Xin Tong Chan Development (Shenzhen) Co., Ltd.	Domestic legal person's shares	105,763,353	10.42%	54,990,197	0
China North Industries Corporation	State-owned legal person's shares	102,310,522	10.08%	61,551,666	0
Bony-Dreyfus Pifi-Dreyfus Premier Greater China	Foreign-funded	19,460,393	1.92%	0	Unknown
Gao-Ling Fund, L.P.	Foreign-funded	15,712,343	1.55%	0	Unknown
Indutrial of Commercial Bank of China - Penghua Good Administrative Stock Securities Investment Fund	Domestic legal person's shares	10,627,864	1.05%	0	Unknown
Indutrial of Commercial Bank of China - Fuguo Tianhui Selective Growth Combined Securities Investment Fund	Domestic legal person's shares	7,359,920	0.72%	0	Unknown
CSFB S/A Qinhan China Master Fund (Cayman) Ltd	Foreign-funded	6,809,888	0.67%	0	Unknown
HTHK-Value Partners Intelligent FD-China B SHS FD	Foreign-funded	6,610,946	0.65%	0	Unknown
Citic - Standard Chartered Bank - Ing Bank N.V	Domestic legal person's shares	6,494,133	0.64%	0	Unknown

Particulars about the shares held by the top ten shareholders of circulating share:		
Name of shareholders	**Holding shares at the report period-end**	**Type of shares**
Yiwan Industrial Development (Shenzhen) Co., Ltd.	50,773,156	A-share
Xin Tong Chan Development (Shenzhen) Co., Ltd.	50,773,156	A-share
China North Industries Corporation	40,758,856	A-share
Bony-Dreyfus Pifi-Dreyfus Premier Greater China	19,460,393	B-share
Gao-Ling Fund, L.P.	15,712,343	B-share
Indutrial of Commercial Bank of China - Penghua Good Administrative Stock Securities Investment Fund	10,627,864	A-share
Indutrial of Commercial Bank of China - Fuguo Tianhui Selective Growth Combined Securities Investment Fund	7,359,920	A-share
CSFB S/A Qinhan China Master Fund (Cayman) Ltd	6,809,888	B-share
HTHK-Value Partners Intelligent FD-China B SHS FD	6,610,946	B-share
Citic - Standard Chartered Bank - Ing Bank N.V	6,494,133	A-share
Statements on associated relationship among the above shareholders or consistent action	Among shareholders as listed above, Yiwan Industrial Development (Shenzhen) Co., Ltd. and Xin Tong Chan Development (Shenzhen) Co., Ltd. are holding enterprises of Shenzhen International Holdings Limited. Except for this, there is no associated relationship had been found among the other shareholders.	

3.3 Change in controlling shareholder and the actual controller

□ Applicable √ Inapplicable

§4 Director, Supervisor and Senior Executives

4.1 Change of shares held by director, supervisor and senior executives

□ Applicable √ Inapplicable

§5 Discussion and Analysis of the Management

5.1 Sales classified according to products:

Unit: RMB’000

	Jan.~Jun., 2007	**Jan.~Jun., 2006**
Float glass	971,013	589,353
Engineering glass	535,786	413,329
Fine glass	249,538	208,849
Others	191,895	180,363

5.2 Sales classified according to location:

Unit: RMB’000

	Jan.~Jun., 2007	**Jan.~Jun., 2006**
The Mainland, P.R.C.	1,217,876	845,171
Hong Kong, P.R.C.	252,722	225,675
United States	64,656	55,395
Australia	33,841	42,891
Others	254,730	117,414

5.3 Explanation on reasons of material changes in main operations and its structure

□ Applicable √ Inapplicable

5.4 Explanation on reasons of material changes in profitability of main operations (gross profit ratio) compared with that of the last year
☐ Applicable √ Inapplicable

5.5 Analysis on reasons of material changes in profit structure compared with the previous year
☐ Applicable √ Inapplicable

5.6 Application of the proceeds raised through shares offering

5.6.1 Application of the proceeds raised
☐ Applicable √ Inapplicable

5.6.2 Particulars about the changed projects
☐ Applicable √ Inapplicable

5.7 The modification plan of Board to the business plan for the second half of the year
☐ Applicable √ Inapplicable

5.8 Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason
☐ Applicable √ Inapplicable

5.9 Explanation of the Management on "Qualified Opinion" from the Certified Public Accountants in the report period by the Board of Directors
☐ Applicable √ Inapplicable

5.10 Explanation of the Management on changes and disposal of the issues involved in "Qualified Opinion" from the Certified Public Accountants in the last year by the Board of Directors
☐ Applicable √ Inapplicable

§6 Significant Events

6.1 Purchase, sales and reorganization of assets

6.1.1 Purchase of assets
☐ Applicable √ Inapplicable

6.1.2 Sales of assets
☐ Applicable √ Inapplicable

6.1.3 Progress of the events and their influence on the Company's operating results and financial status in the report period after the report on assets restructure or public notice on acquisition and sales of assets being published
☐ Applicable √ Inapplicable

6.2 Significant guarantees

√Applicable ☐ Inapplicable

Unit: RMB'0000

Particulars about the external guarantee	
Total amount of guarantee during the report period	0
Total balance of guarantee at the end of the report period	0
Guarantee of the Company for the controlling subsidiaries	
Total amount of guarantee for controlling subsidiaries in the report period	34,792
Balance of guarantee for controlling subsidiaries at the end of the report period	91,375
Particulars about the guarantee of the Company (Including the guarantee for the controlling subsidiaries)	
Total amount of guarantee	91,375
Proportion of the total guarantee in net assets of the Company (%)	38.86%
Including:	
Total amount of the guarantee for shareholders, actual controller and correlated parties	0
The debts guarantee amount provided for the guarantee of which the assets-liability ratio exceeded 70%	42,949
Total amount of guarantee in net assets of the Company exceeded 50%	0
Total amount of guarantee aforesaid	42,949

6.3 Current non-operating related credits and liabilities

☐ Applicable √ Inapplicable

6.4 Significant lawsuit and arbitrations

☐ Applicable √ Inapplicable

6.5 Notes to the other significant events and their influences and analysis on the solutions

√Applicable ☐ Inapplicable

① The Company plans to issue a maximum of 180 million shares(including 180 million shares) of A-share to no more than ten specific investors, the total fund raised shall not exceed RMB1,380 million in this private placement. This event has been examined and approved by the Company's 1st Extraordinary Shareholders' General Meeting of 2007. On 18 July 2007, the event was approved in the 83rd Work Conference 2007 by Stock Issuance Examination and Verification Committee of the China Securities Regulatory Commission. By the approval decision, the Company's A-share private placement application was passed under conditions.

② Shenzhen Yuquan Investment Co., Ltd. (A company invested and founded by the management team of the Company. See the 2004 Annual Report, 2005 Annual Report and 2006 Annual Report for relevant details.) held 19,635,178 shares of total CSG A-shares at the beginning of this report period. Of the total, 4,604,735 shares were restricted A-shares and 15,030,443 shares were unrestricted A-shares. The 4,604,735 restricted A-shares were released on 24 May 2007. From January to May 2007, Shenzhen Yuquan Investment Co., Ltd. partially reduced the shares of CSG it held in the Shenzhen Stock Exchange. At the end of report period, Shenzhen Yuquan Investment Co., Ltd. reduced the CSG A-shares it held to 1,620,000 shares, accounting for 0.16% of the total issued shares of the Company.

6.5.1 Particulars about securities investment

☐Applicable √Inapplicable

6.5.2 Equity of other listed companies held

√Applicable ☐Inapplicable

Unit: RMB

Stock code	Short form of the stock	Initial investment amount	Proportion in equity of the Company	Book value at period-end	Gains and losses in report period	Changes on owners' equity in the report period
000504	CCID Media	17,650,512	0.91%	24,934,805	0	20,777,407
000566	Hainan Haiyao	2,000,000	0.24%	2,985,675	0	2,985,675
600695	ST Dajiang	1,203,072	0.13%	5,568,420	0	4,847,700
Total		20,853,584	-	33,488,900	0	28,610,782

6.5.3 Equity of non-listed financial enterprises and planned listed companies held

√Applicable ☐Inapplicable

Unit: RMB

Name of the party held	Initial investment amount	Amount held (Share)	Proportion in equity of the Company	Book value at period-end	Gains and losses in report period	Changes on owners' equity in the report period
Beijing Wantong Industrial Co., Ltd.	4,200,000	4,620,000	0.38%	4,200,000	0	0
Total	4,200,000	4,620,000	-	4,200,000	0	0

6.6 Registration form for receiving research, communication and interview in the report period

√Applicable ☐Inapplicable

Time	Place	Method	Object	Contents and materials offered
2007.3	Conference Room	Interview	SYWG BNP Paribas Asset Management Co., Ltd	Introduction to main industries of the Company
2007.5.30	Conference Room	Interview	Sealand Securities Co., Ltd.; Fortune Trust Investment Co., Ltd.; Yinhua Fund Management Co., Ltd.	Introduction to production of industries, status of new project building; and product R&D and production management of the Company
2007.6.21	Conference Room	Interview	Bisheng(Shanghai) Investment Consulting Co., Ltd. Dongguan Filiale	Introduction to production scale of industries, market situation and industry development status of the Company
2007.6.28	Conference Room	Interview	Qinhan Capital Management LLC	Introduction to business and operations of the Company
2007.6.29	Conference Room	Interview	Nikko Asset Management Co., Ltd.	Introduction to products and production capacity of the Company
2007.7.5	Conference Room	Interview	Driehuas Capital Management LLC	Introduction to production scale of the Company
2007.7.17	Conference Room	Interview	China Post & Capital Fund Management Co., Ltd.	Introduction to business and operations of the Company
2007.7.18	Conference Room	Interview	Nomura International (Hong Kong) Ltd.; Dlibj Asset Management Co, Ltd.	Introduction to products, operations, market share and development of new energy industry of the Company

§7 Financial Statement

7.1 Auditor's opinion

Financial Statement	√Non-audited ☐Audited

7.2 Financial Statement

CSG HOLDING CO., LTD.

CONSOLIDATED BALANCE SHEET
AS OF 30 JUNE 2007
(All amounts in Renminbi thousands unless otherwise stated)

	2007 30 June	2006 31 December
ASSETS		
Non-current assets		
Property, plant and equipment	5,567,915	5,223,044
Land use rights	258,502	215,945
Intangible assets	17,720	17,896
Investment in an associate		6,765
Deferred income tax assets	1,389	1,482
Available-for-sale financial assets	37,689	9,078
Prepayment for land use right	22,769	15,001
	5,905,984	5,489,211
Current assets		
Inventories	323,152	249,417
Properties held for sale	61,211	72,077
Trade and other receivables	470,227	424,862
Derivative financial instruments		1,985
Pledged bank deposits	17,939	58,304
Cash and cash equivalents	288,789	480,467
	1,161,318	1,287,112
Total assets	7,067,302	6,776,323
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	1,015,463	1,015,463
Other reserves	1,002,942	975,837
Retained earnings	333,001	641,211
	2,351,406	2,632,511
Minority interest	250,389	312,300
Total equity	2,601,795	2,944,811
LIABILITIES		
Non-current liabilities		
Other payable	45,000	45,000
Borrowings	607,130	717,042
	652,130	762,042
Current liabilities		
Trade and other payables	1,153,744	960,230
Current tax liabilities	44,285	31,266
Borrowings	2,593,626	2,056,888
Derivative financial instruments		1,013
Provisions for other liabilities and charges	21,722	20,073
	3,813,377	3,069,470
Total liabilities	4,465,507	3,831,512
Total equity and liabilities	7,067,302	6,776,323

CSG HOLDING CO., LTD.

CONSOLIDATED INCOME STATEMENT
AS OF 30 JUNE 2007
(All amounts in Renminbi thousands unless otherwise stated)

	2007 30 June	2006 31 December
Revenue	1,823,825	1,272,580
Cost of sales	(1,284,184)	(868,260)
Gross profit	539,641	404,320
Distribution costs	(121,492)	(85,032)
Administrative expenses	(131,596)	(84,867)
Other gains, net	4,113	6,587
	290,666	241,008
Operating profit		
Finance costs, net	(70,818)	(36,028)
Profit before income tax	219,848	204,980
Income tax expense	(28,549)	(18,341)
Profit for the year	191,299	186,639
Attributable to:		
Equity holders of the Company	148,748	152,183
Minority interest	42,551	34,456
	191,299	186,639
Earnings per share for profit attributable to the equity holders of the Company during the year		
-Basic/Diluted (RMB cents per share)	14.65	14.99

CSG HOLDING CO., LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF 30 JUNE 2007
(All amounts in Renminbi thousands unless otherwise stated)

	Attributable to equity holders of the Company					
	Share capital	**Other reserves**	**Retained earnings**	**Total**	**Minority interest**	**Total equity**
Balance at 1 January 2006	1,015,463	935,869	535,759	2,487,091	239,819	2,726,910
Derecognition of negative goodwill	-	-	-	-	40,749	40,749
Capital contributed by minority shareholders						
Capitalization of other reserves	-	6,890	-	6,890	-	6,890
Capital exchange reserve recognised	-	(5,375)	-	(5,375)	(157)	(5,532)
Cash flow hedges	-	-	-	-	(6,250)	(6,250)
Currency translation differences	-	768	-	768	-	768
Profit for the year	-	-	325,920	325,920	81,766	407,686
Dividend relating to 2004	-	-	(182,783)	(182,783)	(43,627)	(226,410)
Appropriation to reserve funds	-	37,685	(37,685)	-	-	-
Balance at 31 December 2006	1,015,463	975,837	641,211	2,632,511	312,300	2,944,811
Balance at 1 January 2007	1,015,463	975,837	641,211	2,632,511	312,300	2,944,811
Capital contributed by minority shareholders						
Cash flow hedges		(1,984)		(1,984)		(1,984)
- Fair value gains during the year		28,610		28,610		28,610
- Transfer to property, plant and equipment						
Merge under different controls		(5,283)		(5,283)		(5,283)
Shareholders' Contributed Capital		103		103	8,083	8,186
Acquisition of minority interest					(38,939)	(38,939)
Currency translation differences		5,659		5,659		5,659
Profit for the year			148,748	148,748	42,551	191,299
Dividend relating to 2006			(456,958)	(456,958)	(73,606)	(530,564)
Appropriation to reserve funds						
Balance at 30 June 2007	1,015,463	1,002,942	333,001	2,351,406	250,388	2,601,795

CSG HOLDING CO., LTD.

CONSOLIDATED CASH FLOW STATEMENT
AS OF 30 JUNE 2007
(All amounts in Renminbi thousands unless otherwise stated)

	2007 30 June	**2006 31 December**
Cash flows from operating activities		
Cash generated from operations	513,577	323,335
Interest paid	(66,483)	(63,789)
Income tax paid	(23,381)	(17,304)
Net cash generated from operating activities	423,713	242,242
Cash flows from investing activities		
Investment in an associate		
Payments for acquisition of property, plant and equipment	(536,666)	(434,155)
Proceeds from sale of property, plant and equipment	64	732
Increase in other payable		
Payments for acquisition of land use rights	(31,033)	(13,208)
Payments for acquisition of intangible assets	(2,816)	(7,980)
Acquisition of minority interest	(36,626)	
Interest received	(878)	1,801
Net cash used in investing activities	(607,955)	(452,810)
Cash flows from financing activities		
Proceeds from borrowings	3,080,197	2,114,238
Repayments of borrowings	(2,625,107)	(1,723,220)
Payments of bonds issuance costs	(3,200)	(3,200)
Payments of sponsor fee to security company	(500)	
Dividends paid to Company's shareholders	(447,291)	(180,645)
Dividends paid to minority shareholders	(57,619)	(32,616)
Capital contributed by minority shareholders	8,320	15,001
Pledged bank deposits (placed)/withdrawn	39,890	17,483
Net cash generated from financing activities	(5,310)	207,041
Net increase/(decrease) in cash and cash equivalents	(189,552)	(3,527)
Cash and cash equivalents at beginning of year	480,467	227,763
Exchange losses on cash	(2,126)	1,002
Cash and cash equivalents at end of year	288,789	225,238

7.3 Notes to the financial statements

7.3.1 If any change has taken place in the accounting policy, accounting estimation and accounting error correction, provide relevant contents, reasons and influence.

√Applicable ☐Inapplicable

The Company has adjusted the classification and its depreciation life of fixed assets since 1 January 2007, after the adjustment, the influence of the new depreciation life on profit before tax from January to June 2007 of the Company amounted to RMB 11,896,021.

7.3.2 If material change has taken place in the consolidation scope, provide relevant reasons and influence.

√Applicable ☐Inapplicable

Compared with last year, the consolidated scope in the report period excluded the CSG (Wuhan) Industrial Development Co., Ltd., which was officially written off on 27 January 2007. This event change did not have significant influences on consolidated statements of the Company.

7.3.3 If Non-standard Unqualified Opinion was supplied, listed the related notes to the matters revolved.

Board of Directors of
CSG Holding Co., Ltd.
10 August 2007