

CSG HOLDING CO., LTD.

2010 Annual Report Summary



Chairman of the Board:

ZENG NAN

March, 2011

CSG HOLDING CO., LTD.

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§1. Important Notice

1.1 Board of Directors and the Supervisory Committee of CSG Holding Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities jointly and severally, for the truthfulness, accuracy and completeness of the whole contents.

The 2010 annual report summary is abstracted from the full text of annual report. And the investors are suggested to read the full text of the Annual Report to understand more details. And the English translation is reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

1.2 PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd audited the Annual Financial Report 2010, and issued standard unqualified Auditor's Report.

1.3 Mr. Zeng Nan, Chairman of the Board & CEO of the Company, CFO Mr. Luo Youming and principle of the financial department Mr. Huang Yanbin confirm that the Financial Report enclosed in this 2010 Annual Report is 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
Registered address	CSG Building, No.1, the 6 th Industrial Road, Shekou, Shenzhen, P.R.C.
Post code of registered address	518067
Office address:	CSG Building, No.1, the 6 th Industrial Road, Shekou, Shenzhen, P.R.C.
Post code of office address:	518067
Internet web site of the Company	www.csgholding.com
E-mail	csg@csgholding.com

2.2 Contact person and method

	Secretary of the Board	Securities Affairs Representative
Name	Wu Guobin	Zhou Hong
Contact address	CSG Building, No.1, the 6 th Industrial Road, Shekou, Shenzhen, P.R.C.	CSG Building, No.1, the 6 th Industrial Road, Shekou, Shenzhen, P.R.C.
Telephone	(86) 755-26860666	(86) 755-26860666
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E-mail	securities@csgholding.com	securities@csgholding.com

§3. Summary of Accounting Data and Financial Indexes

3.1 Major accounting data

Unit: RMB

	Year 2010	Year 2009	Percentage change between 2010 and 2009	Year 2008
Revenue	7,743,941,694	5,279,100,133	46.69%	4,273,375,853
Total profit	1,865,346,701	989,064,781	88.60%	502,035,458
Net profit attributable to equity holders of the Company	1,455,209,218	831,944,393	74.92%	420,079,848
Net profit attributable to equity holders of the Company after extraordinary gains and losses	1,386,137,343	881,934,137	57.17%	350,296,529
Net cash flows from operating activities	2,366,313,914	1,670,237,426	41.68%	1,030,211,774
	31 Dec 2010	31 Dec 2009	Percentage change on 31 Dec 2010 compared to 31 Dec 2009	31 Dec 2008
Total assets	12,469,619,167	10,913,350,017	14.26%	10,376,061,066
Total equity attributable to equity holders of the Company	6,384,871,209	5,315,523,161	20.12%	4,544,606,539
Share capital	2,076,721,060	1,223,738,124	69.70%	1,237,103,124

3.2 Major financial indices

Unit: RMB

	2010	2009	Percentage change between 2010 and 2009	2008
Basic earnings per share (Note B)	0.70	0.40	75%	0.21
Diluted earnings per share (Note B)	0.70	0.40	75%	0.21
Earnings per share calculated based on latest share capital	0.70	-	-	-
Basic earnings per share after extraordinary gains and losses (Note B)	0.67	0.42	59.52%	0.17
Weighted average return on equity (%)	25.04%	16.86%	Increase 8.18 percentage points	9.77%
Weighted average return on equity after extraordinary gains and losses (%)	23.85%	17.87%	Increase 5.98 percentage points	8.14%
Net cash flows from operating activities per share	1.14	1.36	-16.18%	0.83
	31 Dec 2010	31 Dec 2009	Percentage change on 31 Dec 2010 compared to 31 Dec 2009	31 Dec 2008
Total assets per share for equity holders of the Company	3.07	4.34	-29.26%	3.67

Note A: On 28 January 2011, the Company bought back and wrote off restricted A share amounted to 578,000 shares which have not been released held by 7 resigned incentive staffs. Therefore, the total shares of the Company changed to 2,076,143,060 shares from 2,076,721,060 shares since 28 January 2011.

Note B: The financial data in the same period 2008 & 2009 have been adjusted as new paid-in capital.

Items of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB

Items of extraordinary gains and losses	Amount
Gains and losses on disposal of non-current assets	-11,165,417
Government subsidies recognized as gains and losses	33,675,322
Gains on disposal of available-for-sale financial assets	9,055,042
Net income of Share Transfer	40,359,075
Net value of other non-operating expenses	9,726,576
Tax effects	-11,578,309
Extraordinary gains and losses of minority interests (after tax)	-1,000,414
Total	69,071,875

3.3 Differences between CAS and IAS

☐ Applicable ☒ Inapplicable

§4. Changes in Share Capital and Particulars about Shareholders

4.1 Changes in share capital

Unit: Share

	Before the change		Increase/Decrease in the period (+/-)			After the change	
	Amount	Proportion	Capitalization of public reserve	Other	Sub-total	Amount	Proportion
I. Restricted shares	208,275,000	17.02%	145,062,750	-313,686,237	-168,623,487	39,651,513	1.91%
1) State-owned shares	0	0	0	0	0	0	0
2) State-owned legal person's shares	80,000,000	6.54%	56,000,000	-136,000,000	-80,000,000	0	0
3) Other domestic shares	128,275,000	10.48%	89,062,750	-179,189,750	-90,127,000	38,148,000	1.84%
Including:							
- Domestic legal person's shares	92,500,000	7.56%	64,750,000	-157,250,000	-92,500,000	0	0
- Domestic natural person's shares	35,775,000	2.92%	24,312,750	-21,939,750	2,373,000	38,148,000	1.84%
4) Foreign-owned shares	0	0	0	0	0	0	0
Including:							
- Foreign legal person's shares	0	0	0	0	0	0	0
- Foreign natural person's shares	0	0	0	0	0	0	0
5) Senior executive shares	0	0	0	1,503,513	1,503,513	1,503,513	0.07%
II. Unrestricted shares	1,015,463,124	82.98%	710,824,186	310,782,237	1,021,606,423	2,037,069,547	98.09%
1) RMB Ordinary shares	566,884,305	46.32%	396,819,013	310,782,237	707,601,250	1,274,485,555	61.37%
2) Domestic listed foreign shares	448,578,819	36.66%	314,005,173	0	314,005,173	762,583,992	36.72%
3) Overseas listed foreign shares	0	0	0	0	0	0	0
4) Others	0	0	0	0	0	0	0
III. Total shares	1,223,738,124	100%	855,886,936	-2,904,000	852,982,936	2,076,721,060	100%

Changes of restricted shares

Unit: Share

Name of the restricted shareholders	Restricted amount held in the year-begin	Amount converted to tradable in 2010	Amount of restricted shares increased in 2010	Restricted amount held at the year-end	Reason of be restricted	Date of the rest conversions
China Ping An Trust & Investment Co., Ltd.	80,000,000	136,000,000	56,000,000	0	Due to Private placement	2010.10.20
Citic Securities Co., Ltd.	80,000,000	136,000,000	56,000,000	0	Due to Private placement	2010.10.20
CIL Holdings Limited	6,250,000	10,625,000	4,375,000	0	Due to Private placement	2010.10.20
Zhejiang Silicon Paradise Pengcheng Venture & Investment Co., Ltd.	6,250,000	10,625,000	4,375,000	0	Due to Private placement	2010.10.20
Zeng Nan	3,000,000	1,099,612	2,100,000	4,000,388	Senior executive shares and Stock Incentive	2010.6.25
Luo Youming	1,200,000	510,000	840,000	1,530,000	Senior executive shares and Stock Incentive	2010.6.25
Ke Haiqi	1,200,000	510,000	840,000	1,530,000	Senior executive shares and Stock Incentive	2010.6.25
Zhang Fan	1,200,000	510,000	840,000	1,530,000	Senior executive shares and Stock Incentive	2010.6.25
Wu Guobin	1,200,000	510,000	840,000	1,530,000	Senior executive shares and Stock Incentive	2010.6.25
Lu wenhui	450,000	191,250	315,000	573,750	Senior executive shares and Stock Incentive	2010.6.25
Ding Jiuru	1,125,000	478,125	787,500	1,434,375	Senior executive shares and Stock Incentive	2010.6.25
Key staffs	26,400,000	13,723,250	14,846,250	27,523,000	Senior executive shares and Stock Incentive	2010.6.25
Total:	208,275,000	310,782,237	142,158,750	39,651,513	-	-

Note A: The change on restricted shares in the report period are due to the implementation of Annual Profit Distribution in 2009 and the releasing of restricted shares.

Note B: In January 2010, the range of tradable shares held by executives have been re-category, 137,559 executive's restricted shares held by Mr. Zeng Nan, Chairman and CEO of the Company, were assigned to the range of 25% tradable shares in January 2010.

4.2 Particulars about the shares held by the top ten shareholders, and the shares held by the top ten unrestricted shareholders.

Unit: Share

Total shareholders:	203,596 shareholders (including 158,604 shareholders of A-share, 44,992 shareholders of B-share)				
Particulars about the shares held by the top ten shareholders					
		Proportion	Total shares	Restricted	Shares
Name of shareholder	Nature of shareholders	in total	held	shares held	pledged or frozen
Shenzhen International Holdings (SZ) Limited	Domestic non-state-owned legal person	3.69%	76,670,000	0	0
China Northern Industries Corporation	State-funded shareholder	3.62%	75,167,934	0	0
Xing Tong Chan Industrial Development (Shenzhen) Co., Ltd.	Domestic non-state-owned legal person	3.42%	71,120,000	0	0
China Ping An Trust & Investment Co., Ltd.	Domestic non-state-owned legal person	2.89%	60,035,000	0	0
China Construction Bank - Yinhua Core Value Select Stock Fund	Domestic non-state-owned legal person	2.82%	58,600,000	0	0
ICBC—Huitianfu Balance Growth Stock Fund	Domestic non-state-owned legal person	1.90%	39,360,517	0	0
China Construction Bank – Yinhua - Dow Jones China 88 Select Equity Fund.	Domestic non-state-owned legal person	1.19%	24,676,086	0	0
GuoTaiJunAn Securities(HongKong) Limited	Foreign-funded shareholder	1.01%	20,970,946	0	0
China Construction Bank—Manulife Teda Market Selected Stock Fund	Domestic non-state-owned legal person	0.72%	15,000,000	0	0
Invesco Funds Series 5	Foreign-funded shareholder	0.71%	14,659,658	0	0
Particulars about the shares held by the top ten unrestricted shareholders					
Name of shareholder		Unrestricted share held		Type of share	
Shenzhen International Holdings (SZ) Limited		76,670,000		A-share	
China Northern Industries Corporation		75,167,934		A-share	
Xing Tong Chan Industrial Development (Shenzhen) Co., Ltd.		71,120,000		A-share	
China Ping An Trust & Investment Co., Ltd.		60,035,000		A-share	
China Construction Bank - Yinhua Core Value Select Stock Fund		58,600,000		A-share	
ICBC—Huitianfu Balance Growth Stock Fund		39,360,517		A-share	
China Construction Bank – Yinhua - Dow Jones China 88 Select Equity Fund.		24,676,086		A-share	
GuoTaiJunAn Securities(HongKong) Limited		20,970,946		B-share	
China Construction Bank—Manulife Teda Market Selected Stock Fund		15,000,000		A-share	
Invesco Funds Series 5		14,659,658		B-share	
Statement on associated relationship or consistent action among the above shareholders:	Among shareholders as listed above, the 1 st and the 3 rd shareholders are holding enterprises of Shenzhen International Holdings Limited. And the 5 th and the 7 th shareholders are the Fund managed by Yinhua 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.				

4.3 Particulars about controlling shareholders and actual controller of the Company

4.3.1 Particulars about change in controlling shareholders and actual controller of the Company

☐ Applicable ☒ Inapplicable

4.3.2 Introduction of controlling shareholder and actual controller

☐ Applicable ☒ Inapplicable

4. 3. 3 Diagram of ownership structure and controlling relationships between the actual controller of the Company and the Company

☐ Applicable ☒ Inapplicable

§5. Particulars about Directors, Supervisors, Senior Executives

5.1 Particulars about changes in shares and remunerations held by directors, supervisors and senior executives

Name	Title	Gender	Age	Date of term started	Date of term ended	Shares held at the year-begin	Shares held at the year-end	Reason for change	Total remuneration received in 2010 (RMB'0000)	Receiving Remuneration and allowance or not
Zeng Nan	Chairman of the Board/ CEO	Male	66	2008-4-10	2011-4-10	3,137,559	4,500,388	Annual Profit Distribution 2009	146.47	No
Chen Chao	Independent Director	Male	55	2008-4-10	2011-4-10	0	0		10	No
Wang Tianguang	Independent Director	Male	38	2008-4-10	2011-4-10	0	0		10	No
Xie Rudong	Independent Director	Male	53	2008-4-10	2011-4-10	0	0		10	No
Li Jingqi	Director	Male	54	2008-4-10	2011-4-10	0	0		0	Yes
Yan Ganggang	Director	Male	51	2008-4-10	2011-4-10	0	0		0	No
Guo Yongchun	Director	Male	43	2008-4-10	2011-4-10	0	0		0	Yes
Zhang Liqing	Director	Male	44	2008-4-10	2011-4-10	28,700	48,790	Annual Profit Distribution 2009	0	Yes
Wu Guobin	Director/ Vice President/ Secretary of the Board	Male	46	2008-4-10	2011-4-10	1,200,000	1,810,000	Annual Profit Distribution 2009	109.91	No
Yang Hai	Chairman of the Supervisory committee	Male	49	2008-4-10	2011-4-10	0	0		0	No
Zhang Dongjun	Supervisor	Male	38	2008-8-20	2011-4-10	0	0		0	Yes
Sun Jingyun	Supervisor	Female	45	2010-4-19	2011-4-10	0	0		42.92	No
Luo Youming	Chief Financial Officer	Male	48	2008-4-10	2011-4-10	1,200,000	1,790,000	Annual Profit Distribution 2009	110.07	No
Ke Hanqi	Vice President	Male	45	2008-4-10	2011-4-10	1,200,000	1,730,000	Annual Profit Distribution 2009	109.96	No
Zhang Fan	Vice president	Male	45	2008-4-10	2011-4-10	1,200,000	1,530,000	Annual Profit Distribution 2009	108.65	No
Lu Wenhui	Vice president	Male	47	2009-10-16	2011-4-10	450,000	573,750	Annual Profit Distribution 2009	108.12	No
Ding Jiuru	Vice president	Male	48	2008-4-10	2011-4-10	1,125,000	1,534,375	Annual Profit Distribution 2009	104.17	No
Total	-	-	-	-	-	9,541,259	13,517,303	-	870.27	-

Incentive share of the directors, supervisors and senior executives granted in the report period

☒ Applicable

☐ Inapplicable

Name	Title	Amount of stock option held in period-begin	Amount of stock option newly bestowed in report period	Exercise amount of stock option in report period	Exercise price of stock option	Amount of stock option held in period-end	Amount of restricted shares held in period-begin	Amount of restricted shares newly bestowed in report period	Bestowed price of restricted shares	Amount of restricted shares held in period-end
Zeng Nan	Chairman of the Board/ CEO	0	0	0	0	0	3,000,000	1,000,388	-	4,000,388
Luo Youming	Chief Financial Officer	0	0	0	0	0	1,200,000	330,000	-	1,530,000
Ke Hanqi	Vice President	0	0	0	0	0	1,200,000	330,000	-	1,530,000
Zhang Fan	Director/ Vice President/ Secretary of the Board	0	0	0	0	0	1,200,000	330,000	-	1,530,000
Wu Guobin	Vice president	0	0	0	0	0	1,200,000	330,000	-	1,530,000
Lu Wenhui	Vice president	0	0	0	0	0	450,000	123,750	-	573,750
Ding Jiuru	Vice president	0	0	0	0	0	1,125,000	309,375	-	1,434,375
Total	-	0	0	0	-	0	9,375,000	2,753,513	-	12,128,513

Note: The reason of the change on restricted shares is implementation of Annual Profit Distribution 2009 and unlocking restricted shares.

5.2 Particulars about directors' presenting the Board meeting

Name	Title	Times that should be attend	Times of personal presence	Attending the meeting by communication	Times of commission presence	Times of absence	Attending the meeting in person in successive two times or not
Zeng Nan	Chairman of the Board/ CEO	9	5	4	0	0	No
Chen Chao	Independent Director	9	5	4	0	0	No
Wang Tianguang	Independent Director	9	5	4	0	0	No
Xie Rudong	Independent Director	9	4	4	1	0	No
Li Jingqi	Director	9	5	4	0	0	No
Yan Ganggang	Director	9	5	4	0	0	No
Guo Yongchun	Director	9	5	4	0	0	No
Zhang Liqing	Director	9	5	4	0	0	No
Wu Guobin	Director/ Vice President/ Secretary of the Board	9	5	4	0	0	No

Explanations on not attending the meeting of the Board in person in successive two times

N/A	
Meetings of the Board held during the year (times)	9
Including: On-site meetings (times)	5
Meetings held by communication (times)	4
Meetings held by site and communication (times)	0

§6. Report of the Board of Directors

6.1 Discussion and analysis of the operation

The economic environment of the world in 2010 was complicated. Debt risk in euro area upgraded constantly, the USA government continued the Quantitative Easing financial policy to stimulate economy, the price of domestic houses and inflation ascended. In order to deal with the high inflation, the government successively issued a series of policies in the second half of the year to restrain house prices and control inflation, thus the pressure from decline of economy growth rate ascended. Faced with the changeable economic environment, the Company fully made use of industry advantage and market opportunity of each industry, strategically optimized industrial layout, actively explored market. The revenue and profit in 2010 made historic record, realized revenue of RMB 7,744 million, a raise of 46.69% compared with the same period of last year; realized net profit of RMB 1,455 million (deducted minority shareholders' interest), a raise of 74.92% compared with the same period of last year.

Flat glass industry department: In 2010, the flat glass industry generally lasted the better market condition from the second half year of 2009 although it has been affected by national real estate control policy and significant growth of price of raw materials and fuels. The department positively adjusted operational strategy against changeable market. The performance reached record high owing to enhancing cost control, technical transformation and improving yield of production and sales of differentiate products etc. In 2010, the department further improved the comprehensive quality and marketing shares of ultra clear float glass through self-innovation. At the same time, the department created new products such as ocean blue, light blue, F blue and TCO glasses, so that the advantage of diverse operation was more highlighted, anti-risk ability was effectively enhanced.

Architecture glass industry department: Under the pressures of cost rising and marketing competitiveness, the architecture glass industry kept stable developing tendency continuously in 2010. Under the trend of energy-saving and environmental protection as well as low-carbon economy, the layout and scale advantage of the department gradually occur, and the amount of production and sales of energy-saving glass improved greatly compared with the same period of last year. In order to keep and enhance the leading position in energy-saving glass field, the department planned to set up production base for energy-saving glass in central region so that industrial layout will be perfected further. At the same time the department insisted in self-innovation. On the basis of first-generation low-eradiate coated glass, the department developed second generation low-emission energy-saving glass successively which could be tempered after transported to different places. This glass has got commendations from the market. As reserve of products and technology, the third generation low-emission energy-saving glass has been put into trial production.

Fine glass industry department: Driven by speedy growth of market demands of touch-panel products in 2010, the prosperity of the fine glass industry recovered rapidly and improved greatly. The department made use of market opportunity fully and reinforced internal management actively. By boosting the output of high value-added products, the overall profit of the department recovered.

The touch panels which indicated high level product in the industry has been put into volume production after constant research, and entered into the supply chain of advanced and fashionable mobiles. It not only brought profits to the Company, but also showed the technology and innovation ability of the Company in touch-panel fields.

Solar energy industry department: Although the extending of debts risk in Euro area produced a certain mental pressure for the market of photovoltaic industry, the market demands of photovoltaic products in 2010 extended the trend of substantial growth in the second half year of 2009 with continuous reduction of photovoltaic power generation cost. It improved the profitability for each section of industry chain. Along with the fulfillment of building solar energy industry chain as well as constant improvement of technology of each section of industry chain, the advantage of solar industry of the Company has appeared and obtained considerable achievement.

6.2 Main operations classified according to industries or products

Unit: RMB'0000

Main operation classified according to products						
Industry	Main operating income	Cost of sales	Gross profit margin	Percentage change in operating income compared to 2009	Percentage change in cost of sales compared to 2009	Percentage change in gross profit compared to 2009 (%)
Flat glass industry	318,287	209,493	34.18%	24.68%	20.98%	Increase 2.01 percentage points
Architectural glass industry	226,299	158,302	30.05%	18.49%	24.68%	Decrease 3.48 percentage points
Fine glass and ceramics industry	64,346	43,032	33.12%	43.21%	34.76%	Increase 4.19 percentage points
Solar energy industry	226,040	144,265	36.18%	228.05%	223.55%	Increase 0.89 percentage points

Note: In 2010, Dongguan CSG Solar Glass Co., Ltd. belonged in solar energy industry department from flat glass industry department, and the related data in 2009 have a reclassification (same as below).

6.3 Main operations classified according to locations

Unit: RMB'0000

Location	Main operating income	Percentage change in operating income compared to 2009
Mainland, P.R.C.	606,266	33.95%
Hong Kong, P.R.C	38,060	26.64%
Europe	66,854	4142.56%
North America	7,036	1041.16%
Australia	9,256	70.10%
Asia (excluding mainland China and Hong Kong)	23,635	22.08%
Other locations	18,691	24.44%

6.4 Items related to fair value measure

Unit: RMB

Item	Amount at period-begin	Current gains and losses due to change of fair value	Accumulative fair value change calculated to equity	Depreciation withdrawn this period	Amount at period-end
Financial assets	7,528,589				
Including: Financial assets available for sales	7,528,589				
Total	7,528,589				

6.5 Usage of raised fund

☐ Applicable ☒ Inapplicable

6.6 Investment of non-raising fund

☒ Applicable ☐ Inapplicable

Unit: RMB'0000

Project	Amount	Progress of project	Earning
Shenzhen float TCO conductive glass project	8,577	Planning to introduce a TCO glass product line applied in thin film solar cell with annual capacities of 460,000 square meters (3,450 tons per year).	The production line has been put into full production in March 2010, and didn't calculate separately.
Technical upgrading project for the Shenzhen 2nd float glass production line	19,767	Planning to readjust the products structure of the 2nd line to produce ultra-white glass and ordinary white glass. And the daily melting capacities will also be promoted to 600T/D or so from the current capacities of 400T/D through equipment updating and restructuring. At the same time, heavy oil combustion systems will be transformed. Semi-dry flue gas desulfurization devices will be used to improve the gas emissions and use flue gas and steam from waste heat boiler for LiBr refrigeration to replace the Company's existing air-conditioning refrigeration for the purpose of saving energy and protecting environment.	The whole transformation completed in September 2010, and didn't calculate separately.
Chengdu CSG new coated glass production line	24,800	Planning to build a production line and its supporting facilities. When the project is completed, the yearly productivity of Low-E compound-processed glass is 1.20 million square meters.	The project has been finished at the end of 2010, and didn't calculate separately.
Yichang polysilicon technical upgrading and expanding production project	13,900	Planning to upgrade technical and expand production on 1500 T/Y of polysilicon project phase I. The project will increase capacity of polysilicon to 2000T/Y.	The project has been finished and get the design production capacity at the end of

			2010, and didn't calculate separately.
Dongguang 75 MW Expansion project of solar cell	15,600	Planning to build a production line with annual output of 75MW. The production line with 25MW and 50MW annual output had been put into commercial operation respectively in January and August 2010.	In the report period, the project has been finished, and didn't calculate separately.
Wujiang CSG float glass project	84,563	Planning to construct two production lines of high-grade float glass with daily melting capacities of 600 tons and 900 tons respectively in Wujiang Economic Development Zone. The production lines use clean energy - natural gas as the fuel and construct supporting waste-heat generation station. The construction period is about 18 months.	It is estimated that the project will be completed and put into operation in the middle of 2011.
Hebei Float Panel Glass Project	34,776	Planning to build a panel glass production line in Hebei CSG, which mainly 0.33-0.7mm ultra-slim glass. After completion it is predicted to produce panel glass 30,000 tons per year. The construction period is about 13 months.	It is estimated that the project will be completed and put into operation at the end of 2011.
Expansion on capacity of Dongguan project	13,074	Planning to increase capacities with 3 million square meters of the wide flat coated glass.	It is estimated that the project will be put into commercial operation in the 4th quarter 2011.
The Phase III of expanding production project of Solar Glass in Dongguan CSG	49,893	Planning to construct a new production line of ultra-white solar glass with 500T/D annual productivity.	It is estimated that the project will be completed at the end of 2011.
Expanding 200MW solar cell and module project in Dongguan	69,700	Planning to construct solar cell and module production lines respectively in Dongguan, increased their productivity with 200MW. After completion of the project, the annual productivity of solar cell and module will reach 300MW. The construction period is 1 year.	It is estimated that the project will be completed and put into operation before August 2011.
The Phase I of 160MW wafer processing project in Yichang CSG	69,500	Planning to build wafer processing project with annual productivity of 160MW. The part of productivity with 100MW has been finished and put into operation.	The balance productivity will be finished in the middle of 2011.
The Phase II of 140MW wafer processing expanding project in Yichang CSG	69,500	Planning to build the 2nd phase of wafer processing expanding project with annual productivity of 140MW. When the project completes, the productivity of wafer will get to 300MW. The construction period is 12 months.	It is estimated that the project will be completed and put into operation at the end of 2011.
Guangzhou float glass Removal project	75,000	Planning to remove the entire Guangzhou Float Glass Company in Guangdong Province, and improve comprehensive competitiveness and profitability of products by adjustment of products structure. The projected investment of the project is RMB 750 million. Considering possible impairment for the present capital of the Company, the Company plans to increase the appropriate investment in order to satisfy demand of capital for the new plant construction. The project will improve	It is estimated that the project will be completed in the 3rd quarter 2012.

		efficiency of heat transfer by advanced natural gas burning craftwork. At the same time, the project will protect environment and increase the recycle usage of resources by cogeneration and fume desulfurization dusting technology.	
Hydrochlorinate technology transformation of poly-silicon production line project in Yichang CSG	50,000	Planning to make hydrochlorinate technology transformation on poly-silicon production line in Yichang, in order to reduce material consumption, power consumption and steam consumption substantially	It is estimated that the project will be completed in 2013.
The Phase I of panel display production base in Wujiang CSG	53,800	Planning to build CSG Wujiang flat display industry base in Wujiang Economy Technology Development Area with the investment party -- Shenzhen CSG Display Technology Co., Ltd, controlling subsidiary of the Company. After the completion of the 1st phase of the project, there will get annual productivity of 480 slices of ITO glasses, 0.72 million square meters of ITO soft film and 0.84 million slices of capacitance touch-panel sensor glasses.	It is estimated that the Phase I project will be completed at the beginning of 2013.
Expanding of TCO conductive glass project of Shenzhen float glass	51,156	Planning to build TCO conductive glass production line with 4 million square meters' annual productivity. The project will be completed in two phase, and the construction period is 2.5 years.	It is estimated that the project will be completed and put into production in stages in 2013. It plans to use funds raised.
Expansion on energy-saving glass capacity of Wujiang Project	47,913	Planning to increase two coating glass production lines and some support insulating glass capacity. When the project completed, the capacities of the wide flat coated glass will add 3 million square meters, and capacities of coated insulating glass will add 1.2 million square meters every year. The construction period is 2.5 years.	It is estimated that the project will be completed and put into operation respectively in 3rd quarter 2011 and 2013. It plans to use funds raised.
Expansion on energy-saving glass capacity of Chengdu project	19,835	Planning to build an ultra-wide coated glass production line. When the project is completed, the annual deep-processing capacities of the wide flat coated products will reach 3million square meters. The construction period is 1.5 years.	It is estimated that the project will be completed and put into operation in the first half of 2013. It plans to use funds raised.
New energy-saving glass project in Hubei	56,670	Planning to build production lines for 1.2 million square meters film coated insulating glass and 3 million square meters wide flat coated glass, and form a glass deep processing base of CSG in central China. The construction period is 3 years.	It is estimated that the two production lines will be completed and put into production in stages at the end of 2013. It plans to use funds raised.
The Phase III of 700MW wafer processing expanding project in Yichang CSG	198,000	Planning to build the 3rd phase of wafer processing expanding project with annual productivity of 700MW. The construction period is 2.5 years. When the project completes, the productivity	It is estimated that the project will be completed and put into production in

		of wafer will get to 1GW of the Company.	stages before the middle of 2013. It plans to use funds raised.
Yichang CSG 700MW solar cell project	169,330	Planning to build the solar cell production line with annual productivity of 700MW. The construction period is 2.5 years.	It is estimated that the project will be completed and put into production in stages before the middle of 2013. It plans to use funds raised.
Expanding 500MW module component project in Dongguan	63,600	Planning to expand the solar module production line with annual productivity of 500MW. The construction period is 2 years.	It is estimated that the project will be completed and put into production in stages before the middle of 2013. It plans to use funds raised.
Total	1,239,104	-	-

6.7 Explanation from the Board of Directors on the change of accounting policy and accounting estimation or modification of material accounting errors

☐ Applicable ☒ Inapplicable

6.8 Explanation from the Board of Directors on the non-standard audit report presented by the certified public accountants

☐ Applicable ☒ Inapplicable

6.9 The proposal of profit distribution or share conversion from capital public by the Board

☒ Applicable ☐ Inapplicable

According to the financial report audited by PricewaterhouseCoopers Zhong Tian CPAs Co., Ltd., the net profit of the parent company was RMB 694,755,456 in 2010. The Company took 10% of the net profit as stationary surplus reserve which was RMB 69,475,545.6. The Board of Directors proposed to distribute the profit based on the amount 2,076,143,060 shares, taking into accounts of the profits available for dividend of the Company as at 31 December 2010 and the dividend income committed by the subsidiaries of the Company amounting to RMB 1,569,494,339, to distribute every shareholder RMB 3.50 (including tax) for each 10 shares held, and the total amount distributing is RMB 726,650,071.

Board of directors consider that this proposal of profit distribution meet the specification of Corporation Law, Accounting Standard for Enterprises and Articles of Association.

The above profit distribution preplan must be submitted to the 2010 Shareholders' General Meeting of the Company for

consideration.

Cash dividends in the past three years:

	Cash dividends amount (including tax)	Net profit attributed to equity holders of the Company	proportion	Distributable profit during the year
2009	427,943,468	831,944,393	51.44%	1,526,908,861
2008	122,373,812	420,079,848	29.13%	863,352,524
2007	178,194,469	431,484,803	41.30%	653,330,647
The proportion of accumulative cash bonus during recent three years in latest annual average net profit (%)				129.82%

The Company made profit in the report period, but had not yet proposed any dividend distribution plan for the year.

☐ Applicable ☒ Inapplicable

§7. Significant Events

7.1 Purchase of assets

☐ Applicable ☒ Inapplicable

7.2 Sales of assets

☒ Applicable ☐ Inapplicable

Transaction party	Sold assets or buy-out assets	Date of sale	Price	Net profit from year-begin to sate of sale	Gains/ losses from sales	Related transacti on (Yes/No)	Pricing principle	property involved transferred owner-ship (Yes/No)	Debts involved transfer totally (Yes/No)	Related relationship
Hainan China Aviation Special Glass Materials Co., Ltd.	100% equity of Hainan Wenchang CSG Silica Sand Mine Co., Ltd.	2010-11-30	4,631	549.45	0	No	Book value of the owners' equity dated 31 October 2010	Yes	Yes	No

Influences on the continuity of the business and stability of the management from involved events contained in 7.1 and 7.2.

At present, the Company entered into a contract of long-term supply with CA Special Glass. The supply of these sands is

approximately 25% of total required sands of the Company, and supply price will adjusted to the fluctuation of market price correspondingly. Meanwhile, the Company owns three major production bases of sand mines as Heyuan, Jiangyou and Yingde, which can stable supply raw materials to the Company. The above mentioned sales event has no significant influence on the Company.

7.3 Significant guarantees

✓ Applicable

□ Inapplicable

Unit: RMB'0000

Particulars about the external guarantee (excluding the controlling subsidiaries)								
Total amount of external guarantee limit approved during the report period (A1)	0		Total amount of external guarantee during the report period (A2)				0	
Total balance of external guarantee limit approved at the end of the report period (A3)	0		Total balance of external guarantee at the end of the report period (A4)				0	
Guarantee of the Company for the controlling subsidiaries								
Guaranteed objects	Date & No. of the notice	Amount of guarantee limit	Date of guarantee	Amount of guarantee	Types of guarantee	Time limit of guarantee	Performance finished or not	Correlated parties or not
Chengdu CSG Glass Co., Ltd.	2010.3.30 (2010-010)	5,400	-	0	Credit Guarantee	1 year	Not	Not
Guangzhou CSG Glass Co., Ltd.		15,000	-	0	Credit Guarantee	2 year	Not	Not
Dongguan CSG Architectural Glass Co., Ltd.		20,000	-	0	Credit Guarantee	2 year	Not	Not
Hebei CSG Glass Co., Ltd.		10,000	-	0	Credit Guarantee	2 year	Not	Not
Chengdu CSG Glass Co., Ltd.		20,000	2010.4.27	2,000	Credit Guarantee	2 year	Not	Not
Wujiang CSG Huadong Architectural Glass Co., Ltd.		15,000	-	0	Credit Guarantee	2 year	Not	Not
Tianjin CSG Architectural Glass Co., Ltd.		13,500	-	0	Credit Guarantee	1 year	Not	Not
Tianjin Energy Conservation Glass Co., Ltd.		4,500	-	0	Credit Guarantee	1 year	Not	Not
Shenzhen CSG Wellight Conductive Coating Glass Co., Ltd.	2010.7.22 (2010-025)	2,630	-	0	Credit Guarantee	2 year	Not	Not
Shenzhen CSG Display Technology Co., Ltd.		2,499	2010.9.26	1,457	Credit Guarantee	2 year	Not	Not
Chengdu CSG Glass Co., Ltd.		30,000	-	0	Credit Guarantee	1 year	Not	Not
Wujiang CSG Huadong Architectural Glass Co., Ltd.		21,706	-	0	Credit Guarantee	1 year	Not	Not
Shenzhen CSG Wellight Conductive Coating Glass Co., Ltd.		8,200	-	0	Credit Guarantee	2 year	Not	Not
Shenzhen CSG Float Glass Co., Ltd.		12,000	-	0	Credit Guarantee	2 year	Not	Not
Dongguan Architectural Glass Co., Ltd.		17,000	-	0	Credit Guarantee	2 year	Not	Not
Hebei CSG Glass Co., Ltd.		17,000	-	0	Credit Guarantee	2 year	Not	Not
Guangzhou CSG Glass Co., Ltd.		3,000	-	0	Credit Guarantee	2 year	Not	Not
		6,000	-	0	Credit Guarantee	1 year	Not	Not
Dongguan Architectural Glass Co., Ltd.		10,000	-	0	Credit Guarantee	1 year	Not	Not

Dongguan CSG Solar Glass Co., Ltd.		5,000	-	0	Credit Guarantee	1 year	Not	Not
Wujiang CSG Huadong Architectural Glass Co., Ltd.		5,000	-	0	Credit Guarantee	1 year	Not	Not
Shenzhen CSG Wellight Conductive Coating Glass Co., Ltd.	2010.9.7 (2010-028)	7,000	-	0	Credit Guarantee	2 year	Not	Not
Chengdu CSG Glass Co., Ltd.		8,000	-	0	Credit Guarantee	1 year	Not	Not
Wujiang CSG Huadong Architectural Glass Co., Ltd.		10,000	-	0	Credit Guarantee	1 year	Not	Not
Chengdu CSG Glass Co., Ltd.		10,000	-	0	Credit Guarantee	1 year	Not	Not
Yichang CSG Polysilicon Co., Ltd.		10,000	-	0	Credit Guarantee	1 year	Not	Not
Wujiang CSG Glass Co., Ltd.		45,497	-	0	Credit Guarantee	5 year	Not	Not
Tianjin CSG Architectural Glass Co., Ltd.		4,000	-	0	Credit Guarantee	1 year	Not	Not
Tianjin Energy Conservation Glass Co., Ltd.		4,000	2010.12.3	135	Credit Guarantee	1 year	Not	Not
Tianjin CSG Architectural Glass Co., Ltd.		9,800	-	0	Credit Guarantee	1 year	Not	Not
Tianjin Energy Conservation Glass Co., Ltd.		5,000	-	0	Credit Guarantee	1 year	Not	Not
Hebei CSG Glass Co., Ltd.		19,726	-	0	Credit Guarantee	1 year	Not	Not
Tianjin CSG Architectural Glass Co., Ltd.			2010.11.3	378	Credit Guarantee	1 year	Not	Not
Tianjin Energy Conservation Glass Co., Ltd.			-	0	Credit Guarantee	1 year	Not	Not
Chengdu CSG Glass Co., Ltd.			2010.12.8	338	Credit Guarantee	1 year	Not	Not
Dongguan Architectural Glass Co., Ltd.			-	0	Credit Guarantee	1 year	Not	Not
Guangzhou CSG Glass Co., Ltd.			-	0	Credit Guarantee	1 year	Not	Not
Dongguan CSG Solar Glass Co., Ltd.								
Dongguan CSG PV-tech Co., Ltd.			-	0	Credit Guarantee	1 year	Not	Not
Shenzhen CSG Display Technology Co., Ltd.			-	0	Credit Guarantee	1 year	Not	Not
Shenzhen CSG Wellight Conductive Coating Glass Co., Ltd.			-	0	Credit Guarantee	1 year	Not	Not
Dongguan Architectural Glass Co., Ltd.		2,000	-	0	Credit Guarantee	1 year	Not	Not
Dongguan CSG PV-tech Co., Ltd.		5,000	-	0	Credit Guarantee	1 year	Not	Not
Dongguan CSG Solar Glass Co., Ltd.		5,000	-	0	Credit Guarantee	1 year	Not	Not
Dongguan Architectural Glass Co., Ltd.		2,000	-	0	Credit Guarantee	1 year	Not	Not
		6,904	-	0	Credit Guarantee	1 year	Not	Not
Chengdu CSG Glass Co., Ltd.	2010.10.23 (2010-038)	3,945	2010-10-20	3,970	Credit Guarantee	1 year	Not	Not
Dongguan Architectural Glass Co., Ltd.		2,499	-	0	Credit Guarantee	1 year	Not	Not
Tianjin Energy Conservation Glass Co., Ltd.		4,274	2010-11-24	138	Credit Guarantee	1 year	Not	Not
Dongguan CSG PV-tech Co., Ltd.		5,000	-	0	Credit Guarantee	3 year	Not	Not
		1,315	-	0	Credit Guarantee	1 year	Not	Not
Shenzhen CSG Wellight Conductive Coating Glass Co., Ltd.		20,000	-	0	Credit Guarantee	1 year	Not	Not
Hebei CSG Glass Co., Ltd.	2010.12.25 (2010-047)	10,000	-	0	Credit Guarantee	1 year	Not	Not
Dongguan CSG PV-tech Co., Ltd.		7,216	-	0	Credit Guarantee	1 year	Not	Not
		40,000	-	0	Credit Guarantee	8 year	Not	Not
		50,000	-	0	Credit Guarantee	8 year	Not	Not
Yichang CSG Polysilicon Co., Ltd.		15,000	-	0	Credit Guarantee	1 year	Not	Not

Total amount of guarantee limit approved for controlling subsidiaries in the report period (B1)	556,110	Total amount of guarantee for controlling subsidiaries in the report period (B2)	99,378
Balance of guarantee limit approved for controlling subsidiaries at the end of the report period (B3)	723,506	Balance of guarantee for controlling subsidiaries at the end of the report period (B4)	48,744
Particulars about the guarantee of the Company			
Total amount of guarantee limit approved in the report period (A1+B1)	556,110	Total amount of guarantee in the report period (A2+B2)	99,378
Balance of guarantee limit approved at the end of the report period (A3+B3)	723,506	Balance of guarantee at the end of the report period (A4+B4)	48,744
Proportion of the total guarantee in net assets of the Company (A4+B4)		7.63%	
Including:			
Total amount of the guarantee for shareholders, actual controller and correlated parties (C)		0	
The debts guarantee amount provided for the guarantee of which the assets-liability ratio exceeded 70% (D)		6,475	
Total amount of guarantee in net assets of the Company exceeded 50% (E)		0	
Total amount of guarantee aforesaid (C+D+E)		6,475	
Explanation of joint liabilities		If subsidiaries failed to perform obligations for prepayment, the Company will take all responsibilities jointly and severally within the guaranteed rage.	

7.4 Significant related party transaction

7.4.1 Related party transactions regarding normal operation

✓ Applicable ☐ Inapplicable

Unit: RMB'0000

Related party	Labor provided and products sales to related party		Labor received and products purchased from related party	
	Transaction amount	Proportion in transaction amount with same category	Transaction amount	Proportion in transaction amount with same category
Guangdong Golden-Glass Technology Co., Ltd.	2,979.62	0.38%	2,437.75	0.57%
Total	2,979.62	0.38%	2,437.75	0.57%

Of which: related transaction amount of products sales or labor provided to controlling shareholder and its subsidiaries by the Company was RMB 0 in the report period.

Explanation on the difference compared with predicted temporary disclosure at year-end	N/A
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7.4.2 Related credits and debts transaction

☐ Applicable ☒ Inapplicable

7.4.3 Capital adoption and clearance in year 2010

☐ Applicable ☒ Inapplicable

7.5 Entrusted finance management

☐ Applicable ☒ Inapplicable

7.6 Commitment and implementation

Commitments made by the Company or the shareholders with holding above 5% shares in the report period or lasting until the report period.

☒ Applicable ☐ Inapplicable

Item of Commitments	Promisee	Content of commitments	Implementation
Commitments for Share Merger Reform	the original non-tradable shareholder Shenzhen International Holdings (SZ) Limited and Xing Tong Chan Industrial Development (Shenzhen) Co., Ltd.	The Company has implemented share merger reform in May 2006. Till June 2008, the share of the original non-tradable shareholders which holding over 5% total shares of the Company had all released. Therein, the original non-tradable shareholder Shenzhen International Holdings (SZ) Limited (with former name of Yiwan Industrial Development (Shenzhen) Co., Ltd.) and Xing Tong Chan Industrial Development (Shenzhen) Co., Ltd. both are wholly-funded subsidiaries to Shenzhen International Holdings Limited (hereinafter Shenzhen International for short) listed in Hong Kong united stock exchange main board. On 9 July 2009, Shenzhen International held the Shareholders' General Meeting and authorized its board of directors to sale the CSG A share held by Shenzhen International at price of no less than RMB 8.5. Shenzhen International made commitment that it would strictly carry out related regulations of Securities Law, Administration of the Takeover of Listed Companies Procedures and Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions issued by CSRC during implementing share decreasingly-held plan and take information disclosure responsibility timely.	By the end of the report period, the original non-tradable shareholders of the Company have strictly carried out their promises.
Commitments for share restricted trade	-	-	-
Commitments made in Acquisition Report or Reports on Change in	-	-	-

Interests			
Commitments made in Material Assets Reorganization	-	-	-
Commitments made in issuing	China Pingan Trust & Investment Co., Ltd and Citic Securities Co., Ltd. holding over 5% shares of the Company	The Company has implemented share merger reform in May 2006. Till June 2008, the share of the original non-tradable shareholders which holding over 5% total shares of the Company had all released. Therein, the original non-tradable shareholder Shenzhen International Holdings (SZ) Limited (with former name of Yiwang Industrial Development (Shenzhen) Co., Ltd.) and Xing Tong Chan Industrial Development (Shenzhen) Co., Ltd. both are wholly-funded subsidiaries to Shenzhen International Holdings Limited (hereinafter Shenzhen International for short) listed in Hong Kong united stock exchange main board. On 9 July 2009, Shenzhen International held the Shareholders' General Meeting and authorized its board of directors to sale the CSG A share held by Shenzhen International at price of no less than RMB 8.5. Shenzhen International made commitment that it would strictly carry out related regulations of Securities Law, Administration of the Takeover of Listed Companies Procedures and Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions issued by CSRC during implementing share decreasingly-held plan and take information disclosure responsibility timely.	By the end of the report period, they have strictly carried out their promises.
Other commitments (including additional commitments)	-	-	-

7.7 Significant lawsuit and arbitrations

☐ Applicable ☒ Inapplicable

7.8 Other significant events and analysis on their influences and solutions

7.8.1 Particulars about securities investment

☐ Applicable ☒ Inapplicable

7.8.2 Equity of other listed companies held

☒ Applicable ☐ Inapplicable

Unit: RMB

Stock Code	Stock Abbr.	Initial Investment	Proportion of equity held	Book value at the period end	Gains / losses in 2010	Changes in Owners' Equity	Item in accounting	Share type
000504	CCID Media	5,707,566	0.30%	0	9,055,042	-6,184,231	Available-for-sale financial assets	Legal person share
300093	Golden-Glass	23,000,000	8.33%	65,501,259	42,501,259	0	Long-term equity investment	Legal person share
Total		28,707,566	-	65,501,259	51,556,301	-6,184,231	-	-

7.8.3 Equity of non-listed financial enterprises held

☐ Applicable ☒ Inapplicable

7.8.4 Particulars about the trading of shares of other listed company

☐ Applicable ☒ Inapplicable

7.8.5 Other comprehensive income

Item	2010	2009
Gain from available for sale financial assets		10,071,081
Less: effect of income tax resulted from available for sale financial assets		
Transferred from previously recognized as other comprehensive income	-6,184,231	-12,746,039
Subtotal	-6,184,231	-2,674,958
Difference on translation of foreign currency financial statements	280,812	3,399,070
Other	-	1,950,000
Total	-5,903,419	2,674,112

§8. Report of the Supervisory Committee

☐ Applicable ☒ Inapplicable

§9. Financial Report

9.1 Auditor's opinions

Audited or not	Yes
Auditor's opinions	Standard unqualified auditor's opinions
No. of report of auditors	PwC ZT Shen Zi (2011) No. 10036
Title of report of auditors	Report of the Auditors
Receiver of report of auditors	Shareholders of CSG Holding Co., Ltd.
Introduction paragraph	We have audited the accompanying financial statements of CSG Holding Co., Ltd. ("CSG Company") which is comprised of the consolidated and company balance sheets as at 31 December 2010, and the consolidated and company income statements, the consolidated and company cash flow statements and the consolidated and company statements of changes in equity for the year then ended and notes to these financial statements
Management's Responsibility for the Financial Statements	The management of CSG Company is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Business Enterprises. This responsibility includes: (1) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; (2) selecting and applying appropriate accounting policies; and (3) making accounting estimates that are reasonable in the circumstances
Auditor's Responsibility	<p>Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the China Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p>
Auditor's opinions	In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of CSG Company as of 31 December 2010, and of their financial performance and their cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises
Non-standard opinions	-
Name of audit institution	PricewaterhouseCoopers Zhong Tian CPAs Limited Company
Address of audit institution	11/F, PricewaterhouseCoopers Center, No.202 Hubin Rd. Shanghai, P.R.C.
Date of auditor's report	18 March 2011
Name of the Certified Public Accountants	
Zhou Weiran, Kong Yu	

9.2 Financial statement

9.2.1 Balance Sheets

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Items	Consolidated	Consolidated	Company	Company
Current assets				
Cash at bank and on hand	787,481,275	653,555,310	373,901,165	370,558,509
Notes receivable	362,674,115	247,083,387	-	-
Accounts receivable	242,201,307	287,912,855	-	-
Advances to suppliers	107,782,146	101,019,512	40,000	300,000
Other receivables	66,622,324	15,377,152	811,564,853	2,074,373,917
Dividends receivable	-	-	5,298,425	-
Inventories	478,735,794	371,296,246	-	-
Other current assets	24,914,873	17,500,000	-	-
Total current assets	2,070,411,834	1,693,744,462	1,190,804,443	2,445,232,426
Non-current assets				
Available-for-sale financial assets	-	7,528,589	-	7,528,589
Long-term receivables	-	-	2,316,038,617	571,250,420
Long-term equity investments	65,501,259	27,200,000	3,633,845,531	3,037,789,922
Fixed assets	8,830,895,516	8,054,820,901	27,627,216	18,831,791
Construction in progress	786,077,413	631,983,774	-	-
Intangible assets	381,276,917	392,040,050	5,600,854	5,766,855
Research and development expenditure	3,142,226	-	-	-
Goodwill	18,404,380	18,404,380	-	-
Long-term prepaid expense	1,002,500	162,487	-	-
Deferred tax assets	79,877,237	87,465,374	-	-
Other non-current assets	233,029,885	-	21,840,000	-
Total non-current assets	10,399,207,333	9,219,605,555	6,004,952,218	3,641,167,577
TOTAL ASSETS	12,469,619,167	10,913,350,017	7,195,756,661	6,086,400,003
Current liabilities				
Short-term borrowings	877,132,815	2,481,152,687	111,620,900	1,714,462,400
Notes payable	237,891,481	298,120,810	-	-
Accounts payable	950,310,253	988,710,853	-	-
Advances from customers	161,127,001	152,085,476	-	-
Employee benefits payable	186,997,327	118,810,114	97,163,797	49,393,197
Taxes payable	121,232,388	72,035,028	1,198,110	1,226,076
Interest payable	24,589,510	14,880,351	1,314,600	1,849,500
Dividends payable	687,627	687,627	687,627	687,627
Other payables	161,386,242	117,866,771	480,805,365	112,637,801
Current portion of non-current liabilities	75,690,541	63,694,062	-	-
Other current liabilities	2,926,872	6,310,532	-	-

Total current liabilities	2,799,972,057	4,314,354,311	692,790,399	1,880,256,601
Non-current liabilities				
Long-term borrowings	728,203,612	908,309,884	-	-
Bonds payable	1,978,479,422	-	1,978,479,422	-
Special payables	700,008	1,275,002	-	-
Deferred tax liabilities	29,507,743	10,333,313	8,149,616	-
Other non-current liabilities	173,537,976	68,004,475	-	-
Total non-current liabilities	2,910,428,761	987,922,674	1,986,629,038	-
Total liabilities	5,710,400,818	5,302,276,985	2,679,419,437	1,880,256,601
Owners' equity				
Paid-in capital	2,076,721,060	1,223,738,124	2,076,721,060	1,223,738,124
Capital surplus	1,309,834,212	2,127,613,867	1,359,890,506	2,170,406,108
Less: Treasury shares	(578,000)	(1,492,500)	(578,000)	(1,492,500)
Special reserve	5,683,705	-	-	-
Surplus reserve	506,530,148	437,054,602	506,530,148	437,054,602
Undistributed profits	2,484,699,065	1,526,908,861	573,773,510	376,437,068
Difference on translation of foreign currency financial statements	1,981,019	1,700,207	-	-
Total equity attributable to equity holders of the Company	6,384,871,209	5,315,523,161	4,516,337,224	4,206,143,402
Minority equity	374,347,140	295,549,871	-	-
Total owners' equity	6,759,218,349	5,611,073,032	4,516,337,224	4,206,143,402
TOTAL LIABILITIES AND OWNER'S EQUITY	12,469,619,167	10,913,350,017	7,195,756,661	6,086,400,003

9.2.2 Income Statement

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

	2010	2009	2010	2009
Items	Consolidated	Consolidated	Company	Company
Revenue	7,743,941,694	5,279,100,133	78,000	78,000
Less: Cost of sales	(4,943,639,993)	(3,435,574,687)	(4,025)	(4,025)
Taxes and surcharges	(6,625,698)	(5,131,434)	-	-
Selling and distribution expenses	(265,636,421)	(242,211,660)	-	-
General and administrative expenses	(556,316,614)	(419,964,357)	(65,576,571)	(62,387,778)
Financial(expenses)/income - net	(106,228,512)	(105,546,371)	(1,777,142)	24,782,925
Asset impairment losses	(86,485,738)	(16,961,266)	-	-
Add: Investment income	54,101,502	19,080,703	770,064,332	497,374,680
Operating profit	1,833,110,220	1,072,791,061	702,784,594	459,843,802
Add: Non-operating income	59,478,017	31,914,360	220,000	3,502,600
Less: Non-operating expenses	(27,241,536)	(115,640,640)	(99,522)	(3,203,962)
Including: Loss on disposal of non-current assets	(24,459,129)	(110,503,681)	(42,842)	(3,962)
Total profit	1,865,346,701	989,064,781	702,905,072	460,142,440
Less: Income tax expenses	(268,388,353)	(74,455,290)	(8,149,616)	-
Net profit	1,596,958,348	914,609,491	694,755,456	460,142,440
Attributable to equity holders of the Company	1,455,209,218	831,944,393		
Minority interests	141,749,130	82,665,098		
Earnings per share				
- Basic	0.70	0.40	N/A	N/A
- Diluted	0.70	0.40	N/A	N/A
Other comprehensive income	(5,903,419)	2,674,112	(6,184,231)	(2,674,958)
Total comprehensive income	1,591,054,929	917,283,603	688,571,225	457,467,482
Total comprehensive income attributable to equity holders of the Company	1,449,305,799	834,131,005		
Total comprehensive income attributable to minority interests	141,749,130	83,152,598		

9.2.3 Cash Flow Statement

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

	2010	2009	2010	2009
Items	Consolidated	Consolidated	Company	Company
1. Cash flows from operating activities				
Cash received from sales of goods or rendering of services	8,743,690,958	5,150,732,551	-	-
Refund of taxes and surcharges	89,980,777	28,466,554	-	-
Cash received relating to other operating activities	76,981,980	58,964,520	4,245,374	1,438,766
Sub-total of cash inflows	8,910,653,715	5,238,163,625	4,245,374	1,438,766
Cash paid for goods and services	(4,763,902,621)	(2,425,658,523)	-	-
Cash paid to and on behalf of employees	(656,468,269)	(446,511,592)	(102,223,655)	(26,762,253)
Payments of taxes and surcharges	(780,765,249)	(503,920,871)	(892,919)	(332,512)
Cash paid relating to other operating activities	(343,203,662)	(191,835,213)	(7,806,482)	(10,017,635)
Sub-total of cash outflows	(6,544,339,801)	(3,567,926,199)	(110,923,056)	(37,112,400)
Net cash flows from operating activities	2,366,313,914	1,670,237,426	(106,677,682)	(35,673,634)
2. Cash flows from investing activities				
Cash received from disposal of investments	33,169,160	20,264,856	33,169,160	20,268,227
Cash received from returns on investments	277,200	1,542,401	702,238,894	593,484,083
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	15,388,683	3,970,539	-	-
Cash received from disposal of subsidiaries and other companies	30,609,872	-	39,737,887	-
Cash received relating to other investing activities	79,370,875	172,386,455	19,171,394	28,657,266
Sub-total of cash inflows	158,815,790	198,164,251	794,317,335	642,409,576
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(2,016,485,886)	(1,166,592,457)	(4,236,141)	(3,710,210)
Cash paid to acquire investments	-	(17,500,000)	(580,026,000)	(197,220,000)
Cash paid to acquire subsidiary	-	(19,845,564)	-	-
Cash paid relating to other investing activities	-	-	(21,840,000)	(659,463,428)
Sub-total of cash outflows	(2,016,485,886)	(1,203,938,021)	(606,102,141)	(860,393,638)
Net cash flows from investing activities	(1,857,670,096)	(1,005,773,770)	188,215,194	(217,984,062)
3. Cash flows from financing activities				
Cash received from capital contributions	2,500,000	2,500,000	-	-
Including: Cash received from capital contributions by minority equity holders of subsidiaries	2,500,000	2,500,000	-	-
Cash received from borrowings	1,881,627,679	4,488,988,675	425,276,500	2,362,513,800
Cash received from issuing bonds	1,978,200,000	-	1,978,200,000	-
Cash received from other financing activities	90,000,000	615,100,000	-	615,100,000
Sub-total of cash inflows	3,952,327,679	5,106,588,675	2,403,476,500	2,977,613,800
Cash repayments of borrowings	(3,653,757,347)	(5,059,443,579)	(2,024,276,500)	(2,251,504,000)
Cash payments for interest expenses and distribution of dividends or profits	(654,080,085)	(358,658,811)	(439,327,843)	(155,379,771)
Including: Cash payments for dividends or profit to minority equity holders of a subsidiary	(89,015,914)	(64,416,978)	-	-
Cash payments relating to other financing activities	(127,068,760)	(114,671,700)	(17,738,370)	(114,671,700)
Sub-total of cash outflows	(4,434,906,192)	(5,532,774,090)	(2,481,342,713)	(2,521,555,471)
Net cash flows from financing activities	(482,578,513)	(426,185,415)	(77,866,213)	456,058,329
4. Effect of foreign exchange rate changes on cash and cash equivalents	(1,469,729)	2,416,291	(328,643)	15,370
5. Net increase/(decrease) in cash and cash equivalents	24,595,576	240,694,532	3,342,656	202,416,003
Add: Cash and cash equivalents at beginning of year	635,618,163	394,923,631	370,558,509	168,142,506
6. Cash and cash equivalents at end of year	660,213,739	635,618,163	373,901,165	370,558,509

9.2.4 Statement of Changes In Owner's Equity

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

Items	Attributable to equity holders of the Company								Minority interests	Total owners' equity
	Paid-in capital	Capital surplus	Less: Treasury shares	Special reserve	Surplus reserves	Undistributed profits	Difference on translation of foreign currency financial statements	Sub-total		
Balanced at 1 January 2009	1,237,103,124	2,067,761,896	(12,952,500)	-	391,040,358	863,352,524	(1,698,863)	4,544,606,539	268,410,601	4,813,017,140
Movement for the year ended 31 December 2009										
Net profit	-	-	-	-	-	831,944,393	-	831,944,393	82,665,098	914,609,491
Other comprehensive income	-	(1,212,458)	-	-	-	-	3,399,070	2,186,612	487,500	2,674,112
Capital contribution and withdrawal by owners	(13,365,000)	61,819,050	11,460,000	-	-	-	-	59,914,050	6,010,507	65,924,557
- Capital contribution by owners	-	-	-	-	-	-	-	-	2,500,000	2,500,000
- Share-based payments recognised in owner's equity	(13,365,000)	61,819,050	11,460,000	-	-	-	-	59,914,050	3,510,507	63,424,557
Business combinations	-	-	-	-	-	-	-	-	1,638,522	1,638,522
Acquisition of minority interests	-	(754,621)	-	-	-	-	-	(754,621)	754,621	-
Profit distribution	-	-	-	-	46,014,244	(168,388,056)	-	(122,373,812)	(64,416,978)	(186,790,790)
- Appropriation to surplus reserves	-	-	-	-	46,014,244	(46,014,244)	-	-	-	-
- Profit distribution to equity owners	-	-	-	-	-	(122,373,812)	-	(122,373,812)	(64,416,978)	(186,790,790)
Balanced at 31 December 2009	1,223,738,124	2,127,613,867	(1,492,500)	-	437,054,602	1,526,908,861	1,700,207	5,315,523,161	295,549,871	5,611,073,032

Statement of Changes In Owner's Equity (continued)

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

Items	Attributable to equity holders of the Company								Minority interests	Total owners' equity
	Paid-in capital	Capital surplus	Less: Treasury shares	Special reserve	Surplus reserves	Undistributed profits	Difference on translation of foreign currency financial statements	Sub-total		
Balanced at 1 January 2009	1,223,738,124	2,127,613,867	(1,492,500)	-	437,054,602	1,526,908,861	1,700,207	5,315,523,161	295,549,871	5,611,073,032
Movement for the year ended 31 December 2010										
Net profit	-	-	-	-	-	1,455,209,218	-	1,455,209,218	141,749,130	1,596,958,348
Other comprehensive income	-	(6,184,231)	-	-	-	-	280,812	(5,903,419)	-	(5,903,419)
Capital contribution and withdrawal by owners	(2,904,000)	48,755,918	914,500	-	-	-	-	46,766,418	5,299,647	52,066,065
- Capital contribution by owners	-	-	-	-	-	-	-	-	2,500,000	2,500,000
- Share-based payments recognised in owner's equity	(2,904,000)	48,755,918	914,500	-	-	-	-	46,766,418	2,799,647	49,566,065
Profit distribution	-	-	-	-	69,475,546	(497,419,014)	-	(427,943,468)	(89,015,914)	(516,959,382)
- Appropriation to surplus reserves	-	-	-	-	69,475,546	(69,475,546)	-	-	-	-
- Profit distribution to equity owners	-	-	-	-	-	(427,943,468)	-	(427,943,468)	(89,015,914)	(516,959,382)
Internal carry-forward of owners' equity										
- capitalized capital reserves	855,886,936	(855,886,936)	-	-	-	-	-	-	-	-
Special reserves										
- Special reserve appropriated	-	-	-	5,683,705	-	-	-	5,683,705	-	5,683,705
Others										
- Transaction with minority interests	-	(4,464,406)	-	-	-	-	-	(4,464,406)	20,764,406	16,300,000
Balanced at 31 December 2010	2,076,721,060	1,309,834,212	(578,000)	5,683,705	506,530,148	2,484,699,065	1,981,019	6,384,871,209	374,347,140	6,759,218,349

9.2.4 Statement of Changes In Owner's Equity

Prepared by: CSG Holding Co., Ltd.

Unit: RMB

Items	Paid-in capital	Capital surplus	Less: Treasury stock	Surplus reserves	Undistributed profits	Total owners' equity
Balance at 1 January 2009	1,237,103,124	2,107,751,509	(12,952,500)	391,040,358	84,682,684	3,807,625,175
Movement for the year ended 31 December 2009						
Net profit	-	-	-	-	460,142,440	460,142,440
Other comprehensive income	-	(2,674,958)	-	-	-	(2,674,958)
Capital contribution and withdrawal by owners						
-Share-based payments recognised in owner's equity	(13,365,000)	65,329,557	11,460,000	-	-	63,424,557
Profit distribution	-	-	-	46,014,244	(168,388,056)	(122,373,812)
- Appropriation to surplus reserves	-	-	-	46,014,244	(46,014,244)	-
- Profit distribution to equity owners	-	-	-	-	(122,373,812)	(122,373,812)
Balance at 31 December 2009	1,223,738,124	2,170,406,108	(1,492,500)	437,054,602	376,437,068	4,206,143,402
Balance at 1 January 2010	1,223,738,124	2,170,406,108	(1,492,500)	437,054,602	376,437,068	4,206,143,402
Movement for the year ended 31 December 2010						
Net profit	-	-	-	-	694,755,456	694,755,456
Other comprehensive income	-	(6,184,231)	-	-	-	(6,184,231)
Capital contribution and withdrawal by owners						
-Share-based payments recognised in owner's equity	(2,904,000)	51,555,565	914,500	-	-	49,566,065
Profit distribution	-	-	-	69,475,546	(497,419,014)	(427,943,468)
- Appropriation to surplus reserves	-	-	-	69,475,546	(69,475,546)	-
- Profit distribution to equity owners	-	-	-	-	(427,943,468)	(427,943,468)
Internal carry-forward of owners' equity						
- Capital surplus convert into capital	855,886,936	(855,886,936)	-	-	-	-
Balance at 31 December 2010	2,076,721,060	1,359,890,506	(578,000)	506,530,148	573,773,510	4,516,337,224

9.3 Explanation on changes in accounting policy, estimates and methods compared with the previous annual report

☐ Applicable ☒ Inapplicable

9.4 Contents, amount corrected, reason and its influence of significant accounting errors

☐ Applicable ☒ Inapplicable

9.5 Explanation on the changes of consolidated scope compared with the previous annual report

√ Applicable

☐ Inapplicable

- A.** Wujiang CSG Glass Co., Ltd. was brought into the consolidation scope since June 2010. At present, the company is in preparation.
- B.** Hebei Panel Glass Co., Ltd. was brought into the consolidation scope since September 2010. At present, the company is in preparation.
- C.** Yingde Hongsheng Quartz Sand Processing Co., Ltd. was brought into the consolidation scope since September 2010. At present, the company is in preparation.
- D.** 31 October 2010, 100% equity of Hainan Wenchang CSG Silica Sand Mine Co., Ltd., wholly-owned subsidiary of the Company, was sold to Hainan China Aviation Special Glass Materials Co., Ltd.. Therefore, Hainan Wenchang CSG Silica Sand Mine Co., Ltd. was brought into the consolidation scope.

**Board of Directors of
CSG Holding Co., Ltd.
18 March 2010**