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# Corporate Information

## 公司資料

### Board of Directors

#### Executive Directors

Mr. TAN Wenhua (Chairman)  
Mr. HSU You Yuan  
Ms. ZHANG Liming

#### Non-executive Directors

Mr. CHIAO Ping Hai  
Mr. CHONG Kin Ngai

#### Independent Non-executive Directors

Mr. WONG Wing Kuen, Albert  
Ms. FU Shuangye  
Dr. LIN Wen  
Mr. ZHANG Chun

### Company Secretary

Chow Yiu Ming

### Audit Committee

Wong Wing Kuen, Albert (Chairman)  
Fu Shuangye  
Lin Wen  
Zhang Chun  
Chong Kin Ngai

### Remuneration Committee

Fu Shuangye (Chairman)  
Wong Wing Kuen, Albert  
Lin Wen  
Zhang Chun  
Tan Wenhua

### 董事會

#### 執行董事

譚文華先生(主席)  
許祐淵先生  
張麗明女士

#### 非執行董事

焦平海先生  
莊堅毅先生

#### 獨立非執行董事

王永權先生  
符霜葉女士  
林文博士  
張椿先生

### 公司秘書

鄒耀明

### 審核委員會

王永權(主席)  
符霜葉  
林文  
張椿  
莊堅毅

### 薪酬委員會

符霜葉(主席)  
王永權  
林文  
張椿  
譚文華

### Nomination Committee

Lin Wen (Chairman)  
Wong Wing Kuen, Albert  
Fu Shuangye  
Zhang Chun  
Hsu You Yuan

### Auditor

KPMG

### Principal Bankers

Agricultural Bank of China  
Bank of Jinzhou  
Bank SinoPac  
BNP Paribas  
China Development Bank  
China Construction Bank  
China CITIC Bank  
Guangdong Development Bank  
Huaxia Bank  
Industrial Bank of Taiwan  
Industrial and Commercial Bank of China

### Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### Head Office and Principal Place of Business in Hong Kong

Room 1402, Harbour Centre  
25 Harbour Road  
Wanchai  
Hong Kong

### 提名委員會

林文(主席)  
王永權  
符霜葉  
張椿  
許祐淵

### 核數師

畢馬威會計師事務所

### 主要往來銀行

中國農業銀行  
錦州銀行  
永豐銀行  
法國巴黎銀行  
國家開發銀行  
中國建設銀行  
中信銀行  
廣東發展銀行  
華夏銀行  
台灣工業銀行  
中國工商銀行

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### 香港總辦事處暨主要營業地址

香港  
灣仔  
港灣道25號  
海港中心1402室

## Corporate Information

公司資料

### Principal Share Registrar

Butterfield Fund Services (Cayman) Limited  
Butterfield House  
68 Fort Street, P.O. Box 705  
Grand Cayman, KY1-1107  
Cayman Islands

### Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited  
Rooms 1712-16, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### Authorised Representatives

Hsu You Yuan  
Chow Yiu Ming

### Investor Relations Consultant

Porda Havas International Finance Communications Group

### Corporate Website

[www.solargiga.com](http://www.solargiga.com)

### 股份過戶登記總處

Butterfield Fund Services (Cayman) Limited  
Butterfield House  
68 Fort Street, P.O. Box 705  
Grand Cayman, KY1-1107  
Cayman Islands

### 香港股份過戶登記處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心  
17樓1712-16室

### 法定代表

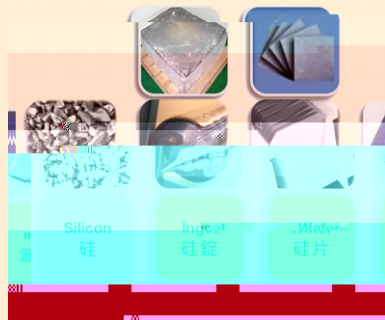
許祐淵  
鄒耀明

### 投資者關係顧問

博達浩華國際財經傳訊集團

### 企業網站

[www.solargiga.com](http://www.solargiga.com)



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subsidiaries collectively the “Group”, Hong Kong stock code: 757, Taiwan stock code: 9157.TT) is a leading manufacturer of monocrystalline silicon solar ingots and wafers in the People’s Republic of China (the “PRC”). Its products are used for the manufacture of photovoltaic cells which are important components of solar energy generation systems.

During the period under review, the Group was engaged in five main businesses:

- (a) the manufacturing and sales of monocrystalline and multicrystalline silicon solar ingots and wafers;
- (b) the processing of silicon solar ingots and wafers;
- (c) the upgrading and trading of polysilicon;
- (d) the production and sales of photovoltaic cells and modules; and
- (e) the design and installation of photovoltaic systems.

Currently, our integrated business model includes monocrystalline silicon solar ingot production with annual capacity of approximately 800MW, monocrystalline silicon solar wafer production with annual capacity of approximately 600MW, as well as photovoltaic cells and modules productions with annual capacity of approximately 300MW and 100MW, respectively. In addition, the Group operates polysilicon reclaiming and upgrading facilities in Shanghai and Jinzhou.

Upon the completion of the 400MW monocrystalline silicon solar ingot production line in Xining as well as the 500MW multicrystalline silicon solar ingot and wafer production plant in Jinzhou, Solargiga will move a step closer to be the world’s largest monocrystalline silicon solar ingot and wafer producer as well as one of the key players in multicrystalline silicon solar product business through rapid capacity expansion and technology upgrade. The Group also extended its business gradually to downstream photovoltaic cell, module and system installation businesses to realise full vertical integration in photovoltaic industry.

# Management Discussion and Analysis

## 管理層討論及分析

### Market Overview

After rapid growth in 2010, the global market demand for solar energy has slowed down since the second quarter of this year. Although energy conservation and emissions reduction as well as the development of clean energy are still regarded as crucial concerns among various countries around the world, numerous governments, particularly those of European countries, have gradually minimised their subsidies to the solar energy industry, resulting in an overall reduction of prices. The gross margins of the industry, however, remain stable due to the decrease in costs, including the costs of raw materials and equipment. Such price adjustment have also helped the solar energy industry to gradually achieve grid parity, which will be beneficial to the widespread use of solar energy and the consolidation of the industry, thereby leading to sustainable development.

The solar energy industry in the United States has still experienced rapid development despite economic uncertainties. According to the statistics from the Solar Energy Industries Association, solar energy remains one of the fastest growing industries in the United States. Capitalising on the market demand and the reduction of costs for solar energy equipment and related factors, during the first quarter in 2011, the United States has added an installed capacity of 252MW to its power grids, representing a growth of 66% over the corresponding period in 2010 and, in aggregate, enabling an installed capacity for solar power generation within its power grid of over 2.85GW, which is sufficient for the provision of electricity for nearly 600,000 families. Although Section 1603 of the American Recovery and Reinvestment Act, should have been expired at the end of 2010, it has been extended to the end of 2011, demonstrating full support from the government of the United States to the development of the domestic solar energy industry, which in turn has motivated the development of the global solar energy industry.

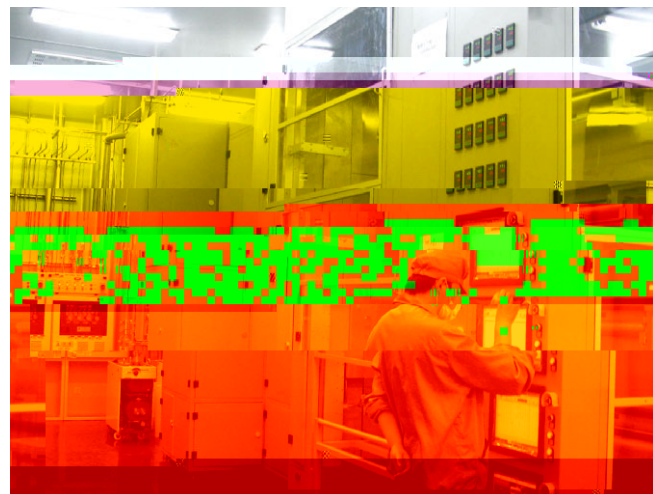
As for the European markets, which are led by Germany and Italy, the feed-in tariff to the solar energy industry has been gradually reduced. Among those markets, Germany, being the world's largest solar energy market, is expected to further reduce the feed-in tariff as its market grows. According to a report prepared by the European Photovoltaic Industry Association, Europe is still playing a dominant role in the global photovoltaic markets with its 30GW installed capacity, which represents 75% of the total installed capacity of solar energy around the world. The solar photovoltaic industry in Europe is actively preparing to conduct industry-related research and development with a fund of EUR1.235 billion in the next three years. Members of the European Union have also undertaken that they will devote full support to the development of the solar energy industry, anticipating that the photovoltaic technologies, with the backup of the relevant capital, will contribute 12% of the power supply to the European Union by 2020.

### 市場概覽

經過二零一零年的高速增長後，全球太陽能市場需求自本年度第二季起有所減緩。儘管世界各國仍然將節能減排及潔淨能源的發展作為重要議題，但各國政府，尤其歐洲國家均逐步削減對太陽能行業的補貼政策，而行業整體價格亦出現下調情況。然而，由於原材料及設備等成本亦有所下降，行業毛利率維持穩定。價格調整亦有助太陽能行業逐步達致等價，有利於太陽能的普及和行業的整合，朝可持續發展之路邁進。

儘管經濟環境不明朗，美國太陽能行業仍然快速發展。根據太陽能工業協會(Solar Energy Industries Association)的統計資料顯示，太陽能仍然是美國發展最迅速的行業之一。受惠於市場需求及太陽能設備成本下降等情況，於二零一一年第一季，美國新增聯網裝機容量252兆瓦(252MW)，較二零一零年同期增長66%。累計聯網太陽能發電裝機容量逾2.85吉瓦(2.85GW)，足夠為接近600,000家庭發電。此外，原定二零一零年底屆滿的第1603條替代能源補貼法案獲延期至今年年底才結束，顯示美國政府依然大力支持當地的太陽能產業發展，亦為全球太陽能行業帶來鼓勵。

以德國及意大利為首的歐洲市場，逐漸削減對太陽能行業的上網電價，當中德國此全球最大的太陽能市場預期將按市場增長情況，進一步削減上網電價。根據歐洲光伏行業協會(European Photovoltaic Industry Association)的報告，歐洲仍然以30吉瓦(30GW)裝機容量領導全球光伏市場，即佔全球太陽能總裝機容量的75%。歐洲太陽能光電行業亦正積極籌備於未來三年以12.35億歐元的資金進行行業相關研發。歐盟成員國亦已承諾全力支持太陽能產業的發展，預計在相關資金支持下的光伏技術，將會於二零二零年為歐盟貢獻12%的電力供應來源。



Renewable energy in China continues its rapid development. After the nuclear plant crisis in Japan, countries around the world, including China, have re-examined their development plans for renewable energy. Since last year the Chinese government has launched a series of policies relating to solar energy, including a large-scale open tender for 13 solar power plants in the northwestern and Inner Mongolian regions in China, an allocation of RMB50 billion for the funding and support of energy conservation and emission reduction industries, which has resulted in China being ranked as one of the ten top photovoltaic markets in the world. At the National People's Congress held earlier this year, the Chinese government reiterated the strategic importance of renewable energies under the "Twelfth Five-Year Plan" and announced its plan to complete an additional installed capacity of 5GW before the end of the "Twelfth Five-Year Plan". It is expected that China will have a new installed capacity of 750MW to 1GW within this year, enabling the installed capacity of China to reach its first ever GW by 2011.

而在中國，可再生能源持續迅速發展。經過日本核輻射事故後，全球包括中國均重新審視可再生能源的發展規劃。中國政府自去年起推出一系列太陽能相關政策，包括就位於西北及內蒙地區共13個太陽能發電站進行大規模公開招標、以及撥出人民幣500億元的節能減排資金，支持節能減排產業等，使中國晉身為全球十大光伏市場。於今年較早時間舉行的全國人民大會，中國政府再次重申可再生能源在「十二五」規劃的戰略重要性，並計劃於「十二五」結束前完成5吉瓦(5GW)的新增裝機容量。市場預期今年中國新增裝機容量共達750兆瓦(750MW)至1吉瓦(1GW)，令其裝機容量於二零一一年達到首個吉瓦。

## Operation Review

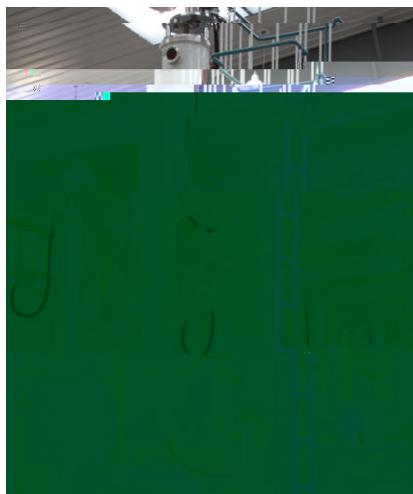
Actively expand overall capacity to strengthen market position

During the period under review, the economy of China has remained stable. However, the solar energy market has become more volatile in comparison to the previous year and there has been adjustment to demand, resulting in an overall drop in the prices of solar energy products. Prices within the industry have recorded a relatively significant decrease since April 2011, and have only until June commenced to regain stability. Despite the market fluctuation, the Group has continued to secure orders from customers by virtue of its quality products and technologies. Therefore, the Group has adhered to its expansion plan, capitalised on its advantages and further uplifted its production capacity in order to meet the huge amount of product shipment. As part of the plan, the Qinghai Plant (青海廠房) was completed at the end of August and expected to gradually commence operations shortly thereafter, which will help the Group further consolidate its leading position in the market of the monocrystalline business.

As at 30 June 2011, the Group was equipped with 397 monocrystalline ingot pullers, 83 wiresaws, four multicrystalline casting furnaces, eight

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to approximately 217.67MW, representing an increase of 40.3% as compared to 155.15MW in the corresponding period last year. Since completion of the acquisition of the cells business at the beginning of the year, a portion of the silicon solar wafers manufactured was used in the production of solar modules. The external shipment volume of the silicon solar wafers and the internal volume of the silicon wafers supplied to and required by the cell factories of the Group during the period under review were in aggregate approximately 169.80MW, representing a growth of total shipment volume of 63.2% compared to 104.07MW in the corresponding period last year. The external shipment volume of solar modules and the internal volume of the solar modules supplied to and required by the module factories was in aggregate 90.43MW. No solar modules were produced during the corresponding period last year. Lastly, the shipment volume of solar modules was 15.67MW, representing a growth of total shipment volume of 129.8% compared to 6.82MW in the corresponding period last year.

#### Enlarging financing channels and promoting innovation and R&D

Facing huge demand from customers, the Group has been increasing its capacity. To ensure there is sufficient working capital for the ongoing development of the business into the future, during the period under review, the Group has been actively exploring financing channels. Leveraging on its good reputation, leading position, comprehensive plan as well as solid financial position, the Group has been highly recognised by the banks. On 27 May 2011, a syndicated loan with a facility amount of up to US\$75,000,000 (approximately HK\$581,250,000) for a period of three years was entered into between the Group and its bankers the Industrial Bank of Taiwan, BNP Paribas and other lenders. Subsequently, on 24 August 2011, the Group, with SinoPac Securities (Asia) Limited as its manager successfully issued RMB300,000,000 Bonds with a period to maturity of three years.

集團於回顧期內的太陽能硅片對外付運量及對內供應電池廠所需硅片量，合計約為169.80兆瓦對比去年同期的104.07兆瓦總付運量增長63.2%。而太陽能電池的對外付運量及對內供應組件所需電池片數量合計為90.43兆瓦，去年同期並無太陽能電池產量。最後太陽能組件的付運量為15.67兆瓦對比去年同期的6.82兆瓦，總付運量增長129.8%。

#### 拓寬融資渠道 推進研發創新

面對龐大的客戶需求，陽光能源不斷提升產能。為確保未來持續業務增長所需的營運資金，集團於回顧期內積極拓寬融資渠道。憑藉陽光能源在業內良好的聲譽、領先的行業地位、完整的產業佈局及穩健的財政狀況，深受銀行業青睞。於二零一一年五月二十七日，陽光能源與台灣工業銀行及法國巴黎銀行等銀行以及其他放款人簽訂銀團貸款，授信額度為75,000,000美元(約581,250,000港元)，期限三年。其後於二零一一年八月二十四日，陽光能源與永豐金證券(亞洲)有限公司(作為經辦人)順利完成了發行三年期人民幣300,000,000元債券。

In addition, in respect of the manufacturing of monocrystalline silicon solar ingots and wafers, the Group has achieved a leading position in China in terms of its technology, product quality and quantity. The products of the Group are the only monocrystalline silicon solar ingot made cell products in China for which national inspection has been waived. The photovoltaic conversion efficiency of its monocrystalline silicon products is also higher than the industry average. The N-series high-efficiency products of the Group have a photovoltaic conversion efficiency of 22-23%. Currently, the N-series products are mainly silicon solar ingots of 5.5 inches to 8 inches, with a small quantity of N-series silicon solar wafers available for sale, mainly targeted at Japanese customers. During the period under review, the shipment volume of N-series products was approximately 12.2MW, representing around 5.6% of total shipment volume. As for the photovoltaic modules, despite being a new entrant with current production capacity of only 100MW, the Group has had its products successfully admitted into the "Golden Sun Programme" (金太陽工程) of China. An expansion of annual production capacity to 150MW has also been planned, targeting to export the products to the European and North American regions gradually.

#### Acquiring cells business to realise vertical integration

In the past, the businesses of the Group focused on the manufacture and sales of upstream silicon solar ingots and wafers. Subsequently, the Group started to develop the business of modules and system installations, by which allows the Group to formally enter the downstream sector of the industry. From silicon solar ingots to system installation, the solar cells business is the segment the Group has been missing from the entire solar energy value chain. Therefore, the acquisition of the solar cells business is a vital step for the Group to realise vertical integration in accordance to its business plan.

此外，陽光能源在太陽能單晶硅錠及硅片製造方面不論技術、產品品質及數量方面，在中國均取得領先地位。集團的產品為中國唯一一家太陽能電池用單晶硅錠國家免檢產品，單晶硅的光電轉換率亦較行業水平為高。其中，集團的高效率N型產品更擁有22-23%的光電轉換效率。目前公司N型產品以5.5英寸至8英寸的太陽能硅錠為主，另有小批量的N型硅片銷售，客戶市場以日本為主，回顧期內小型產品付運費約12.2兆瓦(12.2MW)佔總付運費約5.6%左右。至於在運費能光電組件方面，憑藉

## Management Discussion and Analysis

### 管理層討論及分析

During the period under review, with the support of the shareholders, the Group successfully acquired Sino Light Investment Limited ("Sino Light") on 26 January 2011. Sino Light and its subsidiaries are primarily engaged in the manufacture of solar cells, with a current production capacity of 300MW. Through the acquisition of Sino Light, the upstream and downstream businesses of the Group are linked together, creating synergy. From the date of acquisition being 26 January 2011 to 30 June 2011, the production value of the external shipment volume of Sino Light's solar cells and the internal volume of Sino Light's cells supplied to and required by module factories was approximately RMB652.315 million, the quantity of solar cells for external shipment and the internal quantity supplied to and required by module factories, in which profit has been realised, was approximately 90.43MW. It contributed a segment profit of approximately RMB29.752 million, representing a significant percentage of 26.3%, compared to the profit of the Group of RMB113.333 million.

### Establishing vertical integration business model and exploring downstream customers

Following a number of development projects undertaken in the recent years, the operations of the businesses of the Group including downstream solar cells, photovoltaic module and system installation have gradually been developed, thus successfully achieving vertically integration of the Group and further strengthening the leading position of the Group in the industry. As the downstream operations are gradually developed, the Group has obtained a number of key orders in China, including the 20MW on-grid photovoltaic power plant project in Golmud, Qinghai Province which was secured at the beginning of July 2011. The construction of the on-grid photovoltaic power plant will be completed by the end of September this year, and the actual on-grid feed in tariff of the project will be RMB1.15 per kWh. The construction of the 13.5MW "Golden Sun Programme" Project (金太陽工程) in Liaoning Province, which was previously awarded to the Group, is expected to be completed within this year. A photovoltaic system programme of 33.5MW in aggregate is projected to be completed by the end of this year. Moreover, Jinzhou Jinmao Photovoltaic Technology Company Limited ("Jinzhou Jinmao"), a subsidiary of the Company has signed a purchase contract with 青海黃河上游水電開發有限責任公司 ("Huanghe Hydropower"), under which, Jinzhou Jinmao has become one of the suppliers of photovoltaic modules for the 250MW on-grid photovoltaic power plant of Huanghe Hydropower in Golmud, Qinghai Province and is expected to provide photovoltaic modules, in aggregate, of approximately 19MW to Huanghe Hydropower from the third quarter in 2011 onwards.

回顧期內，本集團在得到股東的支持下，成功於二零一一年一月二十六日完成收購華光投資有限公司(「華光投資」)。華光投資與其附屬公司主要從事太陽能電池製造業務，目前產能為300兆瓦(300MW)，通過收購華光投

The said on-grid photovoltaic system projects and the module sales contract, as well as the acquisition of Sino Light, a solar cell producer, completed at the beginning of the year, signifies the official completion of vertical integration of the Group. Therefore, the Group has achieved a leading position in the industry of manufacturing monocrystalline silicon solar ingots and wafers. The Group has correctly positioned itself in the areas of downstream modules and system power generation, all of which will in turn be beneficial to the healthy, long-term development of the Group.

## Financial Review

### Turnover

For the six months ended 30 June 2011, the turnover of the Group was RMB1,274.146 million, representing an increase of 60.0% compared with the corresponding period in 2010. During the period, with the enlarged production scale and recognised product quality of the Group from long-term customers, the demand for products of the Group continued to increase and turnover continued to rise.

### Cost of sales

For the six months ended 30 June 2011, cost of sales increased by 40.7% to RMB986.885 million from RMB701.164 million for the corresponding period in 2010. Cost of sales represented 77.5% of total turnover, while the unit cost of production continued to improve.

### Gross profit and gross profit margin

For the six months ended 30 June 2011, the Group recorded a gross profit of RMB287.261 million and a gross profit margin of 22.5%, representing an increase as compared to the gross profit of RMB95.247 million and a gross profit margin of 12.0% for the corresponding period in 2010.

### Selling and distribution expenses

Selling and distribution expenses mainly comprised packaging expenses, freight charges and insurance expenses. Selling and distribution expenses increased by 87.4% to RMB7.968 million for the six months ended 30 June 2011 from RMB4.252 million for the corresponding period in 2010, representing 0.6% of the total turnover of the Group (the corresponding period in 2010: 0.5%).

上述光伏系統電站項目及組件銷售合同，以及年初完成收購生產電池片的華光投資，標誌著集團已正式完成垂直整合計劃，集團於太陽能單晶硅錠及硅片製造取得領先地位，而在下游組件及系統發電業務領域，亦漸上軌道，這一切將有利集團的長遠健康發展。

## 財務回顧

### 營業額

截至二零一一年六月三十日止六個月，本集團的營業額為人民幣1,274.146百萬元，比二零一零年同期增加60.0%。期內，集團生產規模提升，加上長期客戶對集團產品質量認同，集團產品需求續有增長，營業額得以維持上升趨勢。

### 銷售成本

截至二零一一年六月三十日止六個月，銷售成本由二零一零年同期的人民幣701.164百萬元增加至人民幣986.885百萬元，增幅為40.7%。銷售成本佔總營業額的77.5%，單位生產成本續有改善。

### 毛利及毛利率

截至二零一一年六月三十日止六個月，本集團錄得人民幣287.261百萬元的毛利，毛利率為22.5%，對比二零一零年同期毛利人民幣95.247百萬元及毛利率12.0%有所改善。

### 銷售及分銷開支

銷售及分銷開支主要包括包裝開支、運費及保險費。銷售及分銷開支由截至二零一零年同期的人民幣4.252百萬元，增至截至二零一一年六月三十日止六個月的人民幣7.968百萬元，增幅87.4%，佔本集團總營業額的0.6%（二零一零年同期：0.5%）。

### Administrative expenses

Administrative expenses mainly comprised staff costs and research and development expenses. The administrative expenses for the first half of 2011 amounted to RMB137.781 million, increased by 224.2% as compared to RMB42.504 million of the corresponding period of 2010, representing 10.8% of the turnover of the Group. The increase in administrative expenses was mainly due to a significant increase in research and development expenses from RMB8.551 million in the first half of 2010 to RMB68.210 million in the first half of 2011, as the Company has rapidly expanded its production scale. In addition, the amortisation of intangible assets of RMB13.490 million during the first half of 2011 was due to the acquisition of the solar cell business in 2011 (the corresponding period in 2010: NIL).

### Finance costs

The finance costs of the Group increased from RMB8.365 million for the six months ended 30 June 2010 to RMB19.114 million for the six months ended 30 June 2011. Finance costs represented mainly the interest on bank loans and the municipal loans. The increase in finance costs was due to the additional bank borrowings for business expansion and development.

### Income tax

Income tax expenses were RMB26.899 million for the six months ended 30 June 2011, while the income tax expenses amounting to RMB12.006 million were recorded for the corresponding period in 2010. Income tax expenses increased as the profit grew.

### Profit attributable to the equity shareholders

For the six months ended 30 June 2011, the Group recorded profit attributable to the equity shareholders of RMB112.792 million, increasing by 174% from the corresponding period in 2010, representing 8.9% of the total turnover of the Group. Profit attributable to the equity shareholders of RMB41.164 million was recorded during the corresponding period in 2010.

### 行政開支

行政開支主要包括員工成本及研發開支。二零一一年上半年的行政開支為人民幣137.781百萬元，較二零一零年同期人民幣42.504百萬元上升224.2%，佔本集團營業額10.8%。行政開支上升主要由於本公司生產規模快速擴張，令研發成本由二零一零年上半年人民幣8.551百萬元大幅上升至二零一一年上半年人民幣68.210百萬元。此外，二零一一年因收購太陽能電池業務所產生的無形資產於二零一一年上半年需攤銷人民幣13.490百萬元（二零一零年同期：無）。

### 融資成本

本集團的融資成本由截至二零一零年六月三十日止六個月的人民幣8.365百萬元增至截至二零一一年六月三十日止六個月的人民幣19.114百萬元。融資成本主要為銀行貸款及市政府貸款的利息。融資成本增加乃由於銀行貸款的增加以配合業務擴充及發展所致。

### 所得稅

截至二零一一年六月三十日止六個月的所得稅開支為人民幣26.899百萬元，而二零一零年同期的所得稅開支為人民幣12.006百萬元，所得稅開支隨著盈利提升而增加。

### 權益股東應佔利潤

截至二零一一年六月三十日止六個月錄得權益股東應佔利潤人民幣112.792百萬元，較二零一零年同期增加174%，佔本集團總營業額的8.9%。二零一零年同期權益股東應佔利潤為人民幣41.164百萬元。

### Inventory turnover days

The inventories of the Group comprised mainly raw materials, namely polysilicon, crucibles and other auxiliary raw materials, and finished goods. By means of the expansion in capacity as well as the good relationship with its suppliers, the Group was able to increase its inventory of raw materials when market supply was short. During the period under review, the inventory turnover days of the Group were 102 days (the corresponding period in 2010: 129 days), and decreased by 27 days from the corresponding period in the previous year. The optimal inventory levels of the Group should be sufficient for approximately three months' consumption in the case of polysilicon and one month consumption for other auxiliary raw materials.

### Trade receivable turnover days

For the first half of 2011, the trade receivable turnover days of the Group decreased to 38 days (the corresponding period in 2010: 50 days). The number of turnover days is at a low level, and is within the credit period granted to other customers by the Group. Generally, the Group allows a credit period of 30 to 90 days for its customers.

### Trade payable turnover days

Due to the global supply for polysilicon raw materials being limited, and the consumption of polysilicon raw materials of the Group increasing, the percentage of prepayment for purchasing raw materials from the Group to the suppliers has increased. Accordingly, trade payable turnover days during the period under review decreased to 32 days (the corresponding period in 2010: 48 days).

### 存貨週轉日

本集團的存貨主要包括原材料(即多晶硅、坩堝及其他輔料)及製成品。憑藉擴充產能及與供應商的良好關係,本集團在市場缺料時能夠將原材料存貨量調高。於回顧期內,本集團存貨周轉期為102日(二零一零年同期:129日),與去年同期相比減少27日。本集團存貨的最佳水平應為多晶硅足夠使用約三個月及其他輔料足夠使用一個月。

### 應收貿易賬款週轉日

於二零一一年上半年,集團應收貿易賬款週轉日縮短至38日(二零一零年同期:50日)。周轉日數處於低水平,介乎本集團授予其客戶的信貸期內。本集團一般授予其客戶30至90日的信貸期。

### 應付貿易賬款週轉日

由於全球多晶硅原材料供應有限,以及本集團的多晶硅原材料使用量上升,令本集團向供應商預付貨款購買原材料的比例增加,因此,回顧期內的應付貿易賬款周轉日縮短至32日(二零一零年同期:48日)。

### Liquidity and financial resources

The principal sources of working capital of the Group during the period under review were cash flows from bank borrowings. As at 30 June 2011, the current ratio (current assets divided by current liabilities) of the Group was 1.44 (31 December 2010: 1.38). The Group had net borrowings of RMB1,001.340 million as at 30 June 2011 (31 December 2010: RMB202.259 million), including cash in bank and on hand of RMB679.355 million (31 December 2010: RMB459.734 million), pledged deposits of RMB135.808 million (31 December 2010: RMB74.113 million), bank loans due within one year of RMB942.374 million (31 December 2010: RMB648.011 million), non-current bank loans of RMB870.926 million (31 December 2010: RMB85.000 million) and non-current municipal loan of RMB3.203 million (31 December 2010: RMB3.095 million). Net debt to equity ratio (net debt divided by total equity) was 42.8% (31 December 2010: 12.3%). Such ratios show that the financial position of the Group has remained healthy.

### Contingent liabilities

As at 30 June 2011, the Group had no contingent liabilities.

### Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases and cash and bank deposits that are denominated in a currency other than the functional currency, Renminbi, of the operations to which they relate. The currencies giving rise to this risk are primarily the US Dollar, Euro and Hong Kong Dollar. The Directors do not expect any significant impact from the change in exchange rates since the Group uses foreign currencies received from customers to settle the amounts due to suppliers. In addition, the Directors ensure that the net exposure is kept at an acceptable level by purchasing or selling the US Dollar and Euro at spot rates where necessary to address short-term imbalances.

### Human resources

As at 30 June 2011, the Group had 3,548 (30 June 2010: 1,530) employees. The significant increase of employees was mainly due to preparation for the production scale capacity expansion in Jinzhou, Liaoning and Xining, Qinghai.



## Management Discussion and Analysis

### 管理層討論及分析

Being the leading enterprise focusing on solar energy in China, the Group will endeavour to make use of the following strategies so as to accelerate its future development:

#### Continuing capacity expansion to achieve economies of scale

Cost advantage is the key to success given the rigorous competition among solar energy enterprises. In view of the vast market demand and the intensified competition environment, the Group strives to reinforce its leading position as a manufacturer of monocrystalline silicon solar ingots and wafers, and to expand its capacity through organic growth and mergers and acquisitions, while proactively improving the operational efficiency of its own plants, so as to achieve economies of scale and in turn further enhance its cost advantage. At the end of August this year, the first phase of our new plant in Qinghai was officially established. It is anticipated that the commencement of operations will improve the Group's annual capacity of monocrystalline silicon solar ingots. Coupled with the original plan of capacity expansion and production enhancement of the Jinzhou Plant, it is expected that by the end of 2011, the annual

Strengthening relationship with long-term contract customers to stabilise income sources

# Disclosure of Interests

## 權益披露

### Share Option Scheme

The Company has conditionally approved and adopted the share option scheme on 27 February 2008 ("Share Option Scheme") in which certain participants may be granted options to subscribe for the ordinary shares

## Disclosure of Interests

### 權益披露

## Share Option Scheme (Continued)

No share option was granted under the Share Option Scheme during the period under review.

Saved as otherwise disclosed, at no time during the period was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the company or any other body corporate.

## Interest and Short Positions of the Directors and the Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2011, so far as the Directors are aware, the Directors and the chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code:

## 購股權計劃(續)

回顧期內概無根據購股權計劃授出購股權。

除另行披露者外，本公司、其任何控股公司、附屬公司或同系附屬公司於期內任何時間概無參與任何安排，致使董事可透過收購本公司或任何其他法人團體之股份或債券而獲益。

## 董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一一年六月三十日，據董事所知悉，董事及本公司最高行政人員及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例「證券及期貨條例」第XV部)的股份、相關股份及債券中，擁有已記錄於根據證券及期貨條例第352條規定存置的登記冊或已根據標準守則知會本公司及香港聯合交易所有限公司(「聯交所」)的權益如下：

| Name of Director<br>董事姓名                  | Nature of interest<br>權益性質                                      | Number of ordinary<br>shares held<br>(Note 1)<br>所持普通股數目(附註1) | Approximate<br>percentage of<br>shareholding (%)<br>概約持股百分比(%) |
|---|---|---|--|
| Mr. TAN Wenhua<br>譚文華先生                   | Beneficial interest (Note 2)<br>實益權益(附註2)                       | 475,761,999 (L)   | 21.22%   |
|   | Interest of a controlled corporation<br>(Note 2)<br>受控法團權益(附註2) | 139,788,278 (L)   | 6.23%  |
|   | Interest in options (Note 3)<br>於購股權的權益(附註3)                    | 13,014,375 (L)  | 0.58%  |
|   | Security interest (Note 3)<br>抵押權益(附註3)                         | 13,014,375 (L)  | 0.58%  |
|   |   |   |  |
| Mr. CHONG Kin Ngai (Note 4)<br>莊堅毅先生(附註4) | Interest of controlled corporations<br>受控法團權益                   | 113,583,027 (L)   | 5.06%  |
|   | Personal interest<br>個人權益                                       | 2,449,500 (L)   | 0.11%  |
|   | Trustee's interest<br>受託人權益                                     | 26,058,625 (L)  | 1.16%  |
|   | Family interest<br>家族權益   | 1,100,000 (L)   | 0.05%  |
|   |   |   |  |

## Disclosure of Interests

### 權益披露

## Interest and Short Positions of the Directors and the Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉(續)

(Continued)

| Name of Director<br>董事姓名                | Nature of interest<br>權益性質                     | Number of ordinary shares held<br>(Note 1)<br>所持普通股數目(附註1) | Approximate percentage of shareholding (%)<br>概約持股百分比(%) |
|---|--|--|--|
| Mr. HSU You Yuan<br>許祐淵先生               | Beneficial interest<br>實益權益                    | 12,440,927 (L)   | 0.55%  |
|   | Interest in options (Note 3)<br>於購股權的權益(附註3)   | 2,080,000 (L)  | 0.09%  |
|   | Security interest (Note 3)<br>抵押權益(附註3)        | 2,080,000 (L)  | 0.09%  |
| Mr. CHIAO Ping Hai<br>焦平海先生             | Beneficial interest<br>實益權益                    | 6,135,500 (L)  | 0.27%  |
|   | Interest in an option (Note 3)<br>於購股權的權益(附註3) | 8,304,875 (L)  | 0.37%  |
|   | Security interest (Note 3)<br>抵押權益(附註3)        | 8,304,875 (L)  | 0.37%  |
| Ms. ZHANG Liming (Note 5)<br>張麗明女士(附註5) | Beneficial interest<br>實益權益                    | 3,133,500 (L)  | 0.14%  |

Note:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) As at 30 June 2011, Mr. Tan Wenhua is interested in an aggregate of 615,550,277 Shares, of which 475,761,999 Shares are directly held by Mr. Tan Wenhua, 139,788,278 Shares are held by You Hua Investment Corporation, which is wholly-owned by Mr. Tan Wenhua.
- (3) Mr. Tan, Mr. Hsu You Yuan and Mr. Chiao Ping Hai are entitled to buy back the Shares of the relevant senior management and employees in the event that any of them cease to be employed or engaged within 4 years after 31 March 2008, being the date of the listing of the Group. These Directors also have security interest in these Shares pursuant to a share charge granted by the relevant employees and consultants to secure their obligations to pay for the purchase price of the Shares and their obligations to comply with the relevant regulatory requirements to which they are subject to (if any).

附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 於二零一一年六月三十日，譚文華先生合共於615,550,277股股份中擁有權益，當中475,761,999股股份由譚文華先生直接持有，139,788,278股股份由譚文華先生全資擁有之佑華投資有限公司持有。
- (3) 倘若任何相關高級管理人員及僱員自本集團上市日期二零零八年三月三十一日後4年內不再獲聘或獲委託，譚先生、許祐淵先生及焦平海先生有權購回彼等的股份。此外，該等董事根據相關僱員及顧問授出的股份抵押擁有該等股份的擔保權益，以確保彼等履行支付股份收購價以及遵從彼等受其限制的相關規管規定(如有)的責任。

## Interest and Short Positions of the Directors and the Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

(Continued)

Note: (Continued)

- (4) As at 30 June 2011, Mr. Chong is interested in an aggregate of 117,132,527 Shares, of which 2,449,500 Shares are directly held by Mr. Chong, 1,100,000 Shares are held by Mr. Chong's spouse, 64,140,040 Shares are held by Prosperity Electric Corporation ("PEC") and 49,442,987 Shares are held by Prosperity Lamps & Components Limited ("PLC"). PLC is held as to 20% by PEC, as to 45% by Leigh Company Limited and as to 35% by independent third parties. Both PEC and Leigh Company Limited are wholly-owned by Mr. Chong.

Mr. Chong holds 26,058,625 Shares as trustee on behalf of certain Directors, members of the senior management and staff of the Group. Of the said 26,058,625 Shares, 2,350,125 Shares are held by Mr. Chong in trust for Ms. Zhang Liming, an executive Director and 2,659,375 Shares are held by Mr. Chong in trust for Mr. Hsu You Yuan, an executive Director.

- (5) As at 30 June 2011, Ms. Zhang Liming's 2,350,125 Shares were registered in the name of Mr. Chong as trustee who is entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant shares in trust for, among others, the relevant employees and senior management members (if any) to the extent the relevant Shares remain subject to a lock-up period.

## 董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉(續)

附註:(續)

- (4) 於二零一一年六月三十日，莊先生合共於117,132,527股股份中擁有權益，當中2,449,500股股份由莊先生直接持有，1,100,000股股份由莊先生之配偶持有，64,140,040股股份由Prosperity Electric Corporation(「PEC」)持有，另49,442,987股股份由佑昌燈光器材有限公司(「佑昌燈光」)持有。佑昌燈光分別由PEC、Leigh Company Limited及獨立第三方持有20%、45%及35%。PEC及Leigh Company Limited均由莊先生全資擁有。

莊先生以受託人身分代表若干董事、高級管理層成員及本集團員工持有26,058,625股股份。上述26,058,625股股份中，2,350,125股股份由莊先生以信託方式代執行董事張麗明女士持有，另2,659,375股股份由莊先生以信託方式代執行董事許祐淵先生持有。

- (5) 於二零一一年六月三十日，張麗明女士之2,350,125股股份以莊先生(作為受託人)名義登記，莊先生受委託行使表決權及以信託方式代(其中包括)相關僱員及高級管理層成員(如有)持有所涉相關股份之股息及其他分派，以致相關股份仍須受禁售期規限。

## Disclosure of Interests

### 權益披露

## Substantial Shareholders' and Other Persons Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2011, so far as the Directors are aware, save as disclosed above, the persons or corporations (not being a Director or chief executive of the Company) who have interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company were as follows:

## 主要股東及其他人士於股份及相關股份中的權益及淡倉

於二零一一年六月三十日，據董事所悉，除上文披露者外，以下人士或法團（並非董事或本公司最高行政人員）於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條規定存置的登記冊或已知會本公司的權益或淡倉：

| Name<br>名稱 姓名   | Capacity<br>身分                                 | Number of ordinary<br>shares held<br>(Note 1)<br>所持普通股數目(附註1) | Approximate<br>Percentage of<br>shareholding (%)<br>概約持股百分比(%) |
|---|--|---|--|
| Wafer Works Investment Corp. ("WWIC")                             | Beneficial owner<br>實益擁有人                      | 344,208,822 (L)   | 15.35%   |
| Wafer Works Corp. ("WWX") (Note 2)<br>合晶科技股份有限公司(「合晶科技」)<br>(附註2) | Interest of a controlled corporation<br>受控法團權益 | 344,208,822 (L)   | 15.35%   |
| The Baring Asia Private Equity Fund IV, L.P.                      | Interest of a controlled corporation<br>受控法團權益 | 122,139,421 (L)   | 5.45%  |
| Jean Salata   | Interest of a controlled corporation<br>受控法團權益 | 119,045,000 (L)   | 5.31%  |
| Baring Private Equity Asia GP IV Limited                          | Interest of a controlled corporation<br>受控法團權益 | 119,045,000 (L)   | 5.31%  |

# Corporate Governance and Other Information

## 企業管治及其他資料

### Corporate Governance

The Company reviews and enhances its corporate governance practices continuously and is committed to a high standard of corporate governance. During the six months ended 30 June 2011, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange. For details of the corporate governance of the Company, please refer to the Corporate Governance Report as set out in the annual report of the Company for the year ended 31 December 2010.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Specific enquiries have been made by the Company to confirm that all Directors have been complied with the Model Code for the six months ended 30 June 2011.

### Purchase, Sale and Redemption of the Company's Listed Securities

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the six months ended 30 June 2011, saved for the issue of new shares on 21 June 2011 upon conversion of convertible bonds issued on 26 January 2011.

### Audit Committee

The Audit Committee of the Company, comprising four independent non-executive Directors and one non-executive Director, has reviewed the accounting principles and practices adopted by the Group and such matters as internal controls and financial reporting with the management of the Company, including the review of the interim results for the six months ended 30 June 2011.

### Appreciation

The Board would like to take this opportunity to express its appreciation to all business partners for their support and continuous trust to the Group, and to express its sincere appreciation to all the staff for their efforts and contributions to the Group during the period under review.

By Order of the Board

**Solargiga Energy Holdings Limited**  
**Tan Wenhua**  
*Chairman*

31 August 2011

### 企業管治

本公司不斷檢討並提高其企業管治常規，致力建立高水平的企業管治。截至二零一一年六月三十日止六個月，本公司一直遵守聯交所證券上市規則「上市規則」附錄14所載企業管治常規守則條文。有關本公司企業管治的詳情，可參閱本公司截至二零一零年十二月三十一日止年度年報內所載企業管治報告。

### 董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載證券交易之標準守則，作為董事進行證券交易之操守準則。本公司已作出特定查詢，以確認所有董事已於截至二零一一年六月三十日止六個月遵守標準守則。

### 購買、出售及贖回本公司之上市證券

除兌換於二零一一年一月二十六日發行之可換股債券後於二零一一年六月二十一日發行新股份外，截至二零一一年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 審核委員會

本公司審核委員會(成員包括四名獨立非執行董事及一名非執行董事)已審閱本集團採納的會計原則及慣例，並已與本公司管理層檢討內部監控及財務報告等事宜，包括審閱截至二零一一年六月三十日止六個月的中期業績。

### 致謝

董事會藉此機會感謝各業務夥伴對本集團的支持及長期信任，並向本集團全體員工於回顧期內為本集團付出的努力和貢獻，致以衷心感謝。

承董事會命

陽光能源控股有限公司  
譚文華  
主席

二零一一年八月三十一日



# Unaudited Consolidated Income Statement

## 未經審核綜合損益表

For the six months ended 30 June 2011  
截至二零一一年六月三十日止六個月  
(Expressed in Renminbi) (以人民幣列值)

|                                       |             | Six months ended 30 June |           |
|---------------------------------------|-------------|--------------------------|-----------|
|                                       |             | 截至六月三十日止六個月              |           |
|                                       |             | 2011                     | 2010      |
|                                       |             | 二零一一年                    | 二零一零年     |
|                                       |             | RMB'000                  | RMB'000   |
|                                       |             | 人民幣千元                    | 人民幣千元     |
|                                       | Note<br>附註  |                          |           |
| Turnover                              | 營業額         | 1,274,146                | 796,411   |
| Cost of sales                         | 銷售成本        | (986,885)                | (701,164) |
| <b>Gross profit</b>                   | 毛利          | <b>287,261</b>           | 95,247    |
| Other revenue                         | 其他收入        | 12,918                   | 12,310    |
| Other net income                      | 其他收入淨額      | 4,935                    | 115       |
| Selling and distribution expenses     | 銷售及分銷開支     | (7,968)                  | (4,252)   |
| Administrative expenses               | 行政開支        | (137,781)                | (42,504)  |
| <b>Profit from operations</b>         | 經營利潤        | <b>159,365</b>           | 60,916    |
| Share of loss of an associate         | 分佔一家聯營公司虧損  | (19)                     | -         |
| Finance costs                         | 融資成本        | (19,114)                 | (8,365)   |
| <b>Profit before taxation</b>         | 除稅前利潤       | <b>140,232</b>           | 52,551    |
| Income tax                            | 所得稅         | (26,899)                 | (12,006)  |
| <b>Profit for the period</b>          | 期內利潤        | <b>113,333</b>           | 40,545    |
| <b>Attributable to:</b>               | 以下人士應佔：     |                          |           |
| Equity shareholders of the Company    | 本公司權益股東     | 112,792                  | 41,164    |
| Non-controlling interests             | 非控制性權益      | 541                      | (619)     |
| <b>Profit for the period</b>          | 期內利潤        | <b>113,333</b>           | 40,545    |
| <b>Earnings per share (RMB cents)</b> | 每股盈餘 (人民幣分) |                          |           |
| - Basic and diluted                   | - 基本及攤薄     | 5.17                     | 2.28      |

The accompanying notes form part of this unaudited interim financial report.

隨附附註為本未經審核中期財務報告之一部分。

# Unaudited Consolidated Statement of Comprehensive Income

## 未經審核綜合全面收入表

For the six months ended 30 June 2011  
 截至二零一一年六月三十日止六個月  
 (Expressed in Renminbi) (以人民幣列值)

|  |                              | Six months ended 30 June |         |
|--|------------------------------|--------------------------|---------|
|  |                              | 截至六月三十日止六個月              |         |
|  |                              | 2011                     | 2010    |
|  |                              | 二零一一年                    | 二零一零年   |
|  |                              | RMB'000                  | RMB'000 |
|  |                              | 人民幣千元                    | 人民幣千元   |
| <b>Profit for the period</b>   | 期內利潤                         | <b>113,333</b>           | 40,545  |
| <b>Other comprehensive income for the period</b>   | 期內其他全面收入                     |                          |         |
| Exchange differences on translation of financial statements of companies outside of the People's Republic of China ("PRC") | 換算中華人民共和國(「中國」)境外公司財務報表之匯兌差額 | (6,409)                  | (1,395) |
| <b>Total comprehensive income for the period</b>   | 期內全面收入總額                     | <b>106,924</b>           | 39,150  |
| <b>Attributable to:</b>  | 以下人士應佔：                      |                          |         |
| Equity shareholders of the Company   | 本公司權益股東                      | <b>106,383</b>           | 39,769  |
| Non-controlling interests  | 非控制性權益                       | <b>541</b>               | (619)   |
| <b>Total comprehensive income for the period</b>   | 期內全面收入總額                     | <b>106,924</b>           | 39,150  |

The accompanying notes form part of this unaudited interim financial report.

隨附附註為本未經審核中期財務報告之一部分。

# Unaudited Consolidated Statement of Financial Position

## 未經審核綜合財務狀況表

At 30 June 2011

於二零一一年六月三十日

(Expressed in Renminbi) (以人民幣列值)

|  |                  | Note | 30 June<br>2011<br>二零一一年<br>六月三十日<br>RMB'000<br>人民幣千元 | 31 December<br>2010<br>二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|------------------|------|---|---|
|  |                  | 附註   |   |   |
| <b>Non-current assets</b>                                    | <b>非流動資產</b>     |      |   |   |
| Property, plant and equipment                                | 物業、廠房及設備         | 10   | 1,710,098   | 1,197,049   |
| Intangible assets  | 無形資產             | 11   | 241,379   | -   |
| Goodwill   | 商譽               | 22   | 208,237   | -   |
| Prepayments for acquisition of property, plant and equipment | 購置物業、廠房及設備的預付款項  |      | 41,748  | 49,063  |
| Lease prepayments  | 租賃預付款項           | 12   | 89,257  | 68,400  |
| Prepayments for raw materials                                | 原材料的預付款項         | 13   | 427,841   | 146,915   |
| Interest in an associate                                     | 於一間聯營公司的權益       |      | 73,981  | 37,000  |
| Deferred tax assets  | 遞延稅項資產           |      | 12,220  | 4,250   |
|  |                  |      | <b>2,804,761</b>                                      | <b>1,502,677</b>  |
| <b>Current assets</b>  | <b>流動資產</b>      |      |   |   |
| Inventories  | 存貨               |      | 724,925   | 378,287   |
| Trade and other receivables                                  | 應收貿易賬款及其他應收款項    | 14   | 740,385   | 628,412   |
| Current tax recoverable                                      | 即期可收回稅項          |      | 28,763  | -   |
| Pledged deposits   | 已抵押存款            | 15   | 135,808   | 74,113  |
| Cash at bank and in hand                                     | 銀行及手頭現金          | 16   | 679,355   | 459,734   |
|  |                  |      | <b>2,309,236</b>                                      | <b>1,540,546</b>  |
| <b>Current liabilities</b>                                   | <b>流動負債</b>      |      |   |   |
| Trade and other payables                                     | 應付貿易賬款及其他應付款項    | 17   | 661,855   | 463,322   |
| Bank loans   | 銀行貸款             | 18   | 942,374   | 648,011   |
| Current tax payable  | 即期應付稅項           |      | 379   | 2,243   |
|  |                  |      | <b>1,604,608</b>                                      | <b>1,113,576</b>  |
| <b>Net current assets</b>                                    | <b>流動資產淨值</b>    |      | <b>704,628</b>  | <b>426,970</b>  |
| <b>Total assets less current liabilities</b>                 | <b>資產總值減流動負債</b> |      | <b>3,509,389</b>                                      | <b>1,929,647</b>  |
| <b>Non-current liabilities</b>                               | <b>非流動負債</b>     |      |   |   |
| Municipal government loan                                    | 市政府貸款            |      | 3,203   | 3,095   |
| Bank loans   | 銀行貸款             | 18   | 870,926   | 85,000  |
| Deferred tax liabilities                                     | 遞延稅項負債           |      | 77,419  | 21,547  |
| Deferred income  | 遞延收入             | 19   | 211,281   | 172,905   |
| Other non-current liabilities                                | 其他非流動負債          |      | 4,868   | 1,385   |
|  |                  |      | <b>1,167,697</b>                                      | <b>283,932</b>  |
| <b>Net assets</b>  | <b>資產淨值</b>      |      | <b>2,341,692</b>                                      | <b>1,645,715</b>  |



# Unaudited Condensed Consolidated Cash Flow Statement

## 未經審核簡明綜合現金流量表

For the six months ended 30 June 2011  
 截至二零一一年六月三十日止六個月  
 (Expressed in Renminbi) (以人民幣列值)

|  |                  | Six months ended 30 June<br>截至六月三十日止六個月 |                                   |
|--|------------------|---|-----------------------------------|
|  |                  | 2011<br>二零一一年<br>RMB'000<br>人民幣千元       | 2010<br>二零一零年<br>RMB'000<br>人民幣千元 |
|  |                  | Note<br>附註                              |                                   |
| Cash (used in)/<br>generated from operations | 經營活動(所用)<br>所得現金 |   |                                   |
|  |                  | (388,912)                               | 64,962                            |

隨附附註為本未經審核中期財務報告之一部分。

# Notes to the Unaudited Interim Financial Report



### 3. Segment reporting (Continued)

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has identified three reportable segments: (i) the manufacturing of, trading of and provision of processing services for polysilicon and monocrystalline and multicrystalline silicon solar ingots/wafers ("Segment A"); (ii) the manufacturing of and trading of photovoltaic modules and installation of photovoltaic systems ("Segment B"); and (iii) the manufacturing and trading of monocrystalline silicon solar cells ("Segment C"). Segment C became a reportable segment in 2011 after the acquisition of the Sino Light Investments Limited ("Sino Light") and its subsidiaries (collectively referred to as the "Sino Light Group") as disclosed in note 22. No operating segments have been aggregated to form these reportable segments. Comparative figures have been provided on a basis consistent with the current period segment analysis.

#### (a) Segment results and assets

For the purpose of assessing segment performance and

### 3. Segment reporting (Continued)

#### (a) Segment results and assets (Continued)

|   |                     | Six months ended 30 June 2010<br>截至二零一零年六月三十日止六個月 |         |         |
|---|---------------------|---|---------|---------|
|   | Segment A           | Segment B   | Total   |         |
|   | 分部A                 | 分部B   | 總計      |         |
|   | RMB'000             | RMB'000   | RMB'000 |         |
|   | 人民幣千元               | 人民幣千元   | 人民幣千元   |         |
| <b>Reportable segment revenue</b>       | <b>可報告分部收益</b>      | 720,405   | 76,006  | 796,411 |
| <b>Reportable segment profit/(loss)</b> | <b>可報告分部溢利 (虧損)</b> | 42,597  | (2,052) | 40,545  |

|   |                                      | 31 December 2010<br>二零一零年十二月三十一日 |         |           |
|---|--------------------------------------|----------------------------------|---------|-----------|
|   | Segment A                            | Segment B                        | Total   |           |
|   | 分部A                                  | 分部B                              | 總計      |           |
|   | RMB'000                              | RMB'000                          | RMB'000 |           |
|   | 人民幣千元                                | 人民幣千元                            | 人民幣千元   |           |
| <b>Reportable segment assets</b><br>(including interest in<br>an associate) | <b>可報告分部資產</b><br>(包括於一家聯營公司之<br>權益) | 2,959,990                        | 83,233  | 3,043,223 |

**3. Segment reporting** (Continued)  
(b) Geographic information

**3. 分部報告**(續)  
(b) 地區資料

下表載列有關本集團來自外界客戶的收益所在地的資料。客戶所在地以交付貨品或提供服務的地點為依據。



## 6. Profit before taxation

Profit before taxation is arrived at after charging:

## 6. 除稅前利潤

除稅前利潤已扣除：

|  |                        | Six months ended 30 June<br>截至六月三十日止六個月 |                                    |
|--|------------------------|---|------------------------------------|
|  |                        | 2011<br>於二零一一年<br>RMB'000<br>人民幣千元      | 2010<br>於二零一零年<br>RMB'000<br>人民幣千元 |
| <b>(a) Finance costs</b>   | <b>(a) 融資成本</b>        |   |                                    |
| Interest on bank loans wholly repayable within five years                                | 須於五年內全數償清的銀行貸款利息       | 34,167                                  | 9,145                              |
| Interest on municipal government loan  | 市政府貸款的利息               | 108                                     | 116                                |
| Total interest expense on financial liabilities not at fair value through profit or loss | 非按公平值於損益賬列賬財務負債的利息開支總額 | 34,275                                  | 9,261                              |
| Less: interest expenses capitalised into property, plant and equipment                   | 減：物業、廠房及設備資本化利息開支      | (15,161)                                | (896)                              |

## 7. Income tax

Income tax in the consolidated income statement represents:

|   |             |
|---|-------------|
| <b>Current tax – the PRC</b>                      | 即期稅項 - 中國   |
| Provision for the period                          | 期內撥備        |
| <b>Deferred tax</b>                               | 遞延稅項        |
| Origination and reversal of temporary differences | 暫時性差額之出現及撥回 |
| Income tax expense                                | 所得稅開支       |

No provision for Hong Kong Profits Tax has been made as the subsidiaries of the Group either did not have any assessable profits subject to Hong Kong Profits Tax or have accumulated tax losses brought forward from previous years to offset the estimated assessable profits for the period.

Except for Jinzhou Yangguang Energy Co., Ltd. which is entitled to a preferential Corporate Income Tax ("CIT") rate of 15%, as it was granted by the Taihe District State Tax Bureau the status of a "High and New Technology Enterprise", and Jinzhou Huachang Photovoltaic Technology Company Limited, which is entitled to a preferential CIT rate of 12.5%, the provision for CIT is calculated based on a statutory rate of 25% of the assessable profits of the subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Under the CIT Law of the PRC and its relevant regulations, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10% or 5% for earnings accumulated beginning on 1 January 2008. Accordingly, a provision for withholding tax in respect of certain undistributed profits from the PRC subsidiaries has been made and included in the deferred tax liabilities as at 30 June 2011 and 31 December 2010.

## 7. 所得稅

綜合損益表內所得稅代表：

Six months ended 30 June  
截至六月三十日止六個月

| 2011<br>二零一一年<br>RMB'000<br>人民幣千元 | 2010<br>二零一零年<br>RMB'000<br>人民幣千元 |
|-----------------------------------|-----------------------------------|
| 31,914                            | 3,192                             |
| (5,015)                           | 8,814                             |
| 26,899                            | 12,006                            |

由於本集團的附屬公司並無任何應繳納香港利得稅的利潤，亦無自過往年度結轉任何累計稅項虧損以抵銷期內估計應課稅利潤，故並無作出香港利得稅撥備。

除錦州陽光能源有限公司因獲太和區國家稅務局授予「高新科技企業」地位而有權享有15%的企業所得稅（「企業所得稅」）優惠稅率及錦州華昌光伏科技有限公司有權享有12.5%的企業所得稅優惠稅率外，企業所得稅按照中國附屬公司根據中國相關所得稅規則及規定釐定的應課稅利潤的25%法定稅率計提撥備。

根據中國企業所得稅法及其相關規例，自二零零八年一月一日起，中國企業以累計盈利向非中國 礪 孃 兕 祀

于

于

于

## 8. Dividends

(a) Dividends attributable to the period

The Directors do not recommend the payment of a dividend in respect of the six months ended 30 June 2011 (six months

## 8. 股息

(a) 期內應佔股息

董事不建議就截至二零一一年六月三十日止六個月派發股息(截至二零一零年六月三十日止六個月：無)。

(b) 上一個財政年度應佔股息

就上一個財政年度之終期股息而言，二零一零年年報所述擬派終期股息人民幣63,251,000元與期內之批准金額人民幣78,476,000元間之差額人民幣15,225,000元為暫停辦理股東名冊當日前兌換可換股債券(請參閱附註20(b))時發行之新股份應佔股息。

## 9. Earnings per share

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company of RMB112,792,000 (six months ended 30 June 2010: RMB41,164,000) and the weighted average of 2,182,087,552 ordinary shares (six months ended 30 June 2010: 1,807,170,425 ordinary shares) of the Company in issue during the period as calculated in note 9(b).

### (b) Weighted average number of ordinary shares

#### Number of ordinary shares

普通股數目





## 12. Lease prepayments

|  |                       | 2011<br>二零一一年<br>RMB'000<br>人民幣千元 | 2010<br>二零一零年<br>RMB'000<br>人民幣千元 |
|--|-----------------------|-----------------------------------|-----------------------------------|
| Balance as at 1 January                  | 於一月一日之結餘              | 68,400                            | 63,948                            |
| Additions                                | 添置                    | -                                 | 5,876                             |
| Acquisition of subsidiaries (note 22(c)) | 收購附屬公司(附註22(c))       | 21,885                            | -                                 |
| Amortisation                             | 攤銷                    | (1,028)                           | (1,424)                           |
| Balance as at 30 June/31 December        | 於六月三十日 十二月三十一日<br>之結餘 | 89,257                            | 68,400                            |

## 13. Prepayments for raw materials

In order to secure a stable supply of polysilicon materials, the Group makes prepayments to certain suppliers. Prepayments for raw materials where the Group expects to take delivery of inventory more than twelve months after the end of the reporting period are classified as non-current assets.

#### 14. Trade and other receivables (Continued)

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

- (a) As at 31 December 2010, included in trade debtors and bills receivable was an amount due from a related party of RMB57,007,000. There are no trade debtors and bill receivable due from related parties as at 30 June 2011.
- (b) Included in current portion of prepayments for raw materials are amounts due from related parties of RMB30,288,000 (31 December 2010: RMB14,130,000) as at 30 June 2011.
- (c) As at 31 December 2010, included in deposits and other receivables was an amount due from a related party of RMB100,000. There are no deposits and other receivables due from related parties as at 30 June 2011.
- (d) The ageing analysis of trade debtors and bills receivable (net of allowance for doubtful debts) at the end of reporting period based on invoice date is as follows:

|                |        | <b>At 30 June<br/>2011<br/>於二零一一年<br/>六月三十日<br/>RMB'000<br/>人民幣千元</b> | At 31 December<br>2010<br>於二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|----------------|--------|---|---|
| Within 1 month | 一個月內   | <b>187,937</b>  | 144,740   |
| 1 to 3 months  | 一至三個月  | <b>162,573</b>  | 15,660  |
| 6 to 12 months | 六至十二個月 | <b>9,852</b>  | 6,855   |
|                |        | <b>360,362</b>  | 167,255   |

The Group normally allows a credit period of 30-90 days to its customers.

#### 14. 應收貿易賬款及其他應收款項(續)

全部應收貿易賬款及其他應收款項預期將於一年內收回或確認為開支。

- (a) 於二零一零年十二月三十一日，應收貿易賬款及票據包括應收關連方款項人民幣57,007,000元。於二零一一年六月三十日並無應收關連方之貿易賬款及票據。
- (b) 於二零一一年六月三十日，原材料的預付款項即期部分包括應收關連方款項人民幣30,288,000元(二零一零年十二月三十一日：人民幣14,130,000元)。
- (c) 於二零一零年十二月三十一日，按金及其他應收款項包括應收關連方款項人民幣100,000元。於二零一一年六月三十日並無應收關連方之按金及其他應收款項。
- (d) 於報告日期結算日，扣除呆賬撥備後的應收貿易賬款及票據的賬齡按發票日期分析如下：

本集團一般授予其客戶30至90日的信貸期。

#### 14. Trade and other receivables (Continued)

- (e) The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

|                               |         | 30 June<br>2011<br>二零一一年<br>六月三十日<br>RMB'000<br>人民幣千元 | 31 December<br>2010<br>二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|-------------------------------|---------|---|---|
| Neither past due nor impaired | 並無逾期或減值 | 328,153   | 145,225   |
| Less than 1 month past due    | 逾期少於一個月 | 22,357  | 15,660  |
| 1 to 3 months past due        | 逾期一至三個月 | -   | 6,370   |
| 3 to 6 months past due        | 逾期三至六個月 | 9,852   | -   |
|                               |         | 32,209  | 22,030  |
|                               |         | 360,362   | 167,255   |

#### 14. 應收貿易賬款及其他應收款項(續)

- (e) 並無個別或共同被視為減值的應收貿易賬款及票據的賬齡分析如下：

#### 15. Pledged deposits

Certain of the Group's bank deposits were pledged to secure bank loans and banking facilities granted to the Group as follows:

#### 15. 已抵押存款

本集團若干銀行存款已就本集團獲授之銀行貸款及銀行融資作出抵押，載列如下：

|  |              | 30 June<br>2011<br>二零一一年<br>六月三十日<br>RMB'000<br>人民幣千元 | 31 December<br>2010<br>二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|--------------|---|---|
| Pledged as security for bills payable                | 抵押作為應付票據之抵押品 | 92,702  | 70,047  |
| Pledged as security for bank loans                   | 抵押作為銀行貸款之抵押品 | 39,348  | -   |
| Guarantee deposits for issuance of letters of credit | 作為發出信用證之存款擔保 | 3,758   | 4,066   |
|  |              | 135,808   | 74,113  |

## 16. Cash at bank and in hand

|   |                      | 30 June<br>2011<br>二零一一年<br>六月三十日<br>RMB'000<br>人民幣千元 | 31 December<br>2010<br>二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|---|----------------------|---|---|
| Cash at bank and in hand  | 銀行及手頭現金              | 679,355   | 459,734   |
| Deposits with banks with original maturity over three months      | 原到期日為三個月以上的<br>銀行存款  | -   | (70,000)  |
| Cash and cash equivalents in the consolidated cash flow statement | 綜合現金流量表的現金及<br>現金等價物 | 679,355   | 389,734   |

Cash at bank and in hand totaling RMB478,350,000 (31 December 2010: RMB404,612,000) as at 30 June 2011 is denominated in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

於二零一一年六月三十日，銀行存款及現金共人民幣478,350,000元(二零一零年十二月三十一日：人民幣404,612,000元)。

## 17. Trade and other payables

|                                     |                 | 30 June<br>2011<br>二零一一年<br>六月三十日<br>RMB'000<br>人民幣千元 | 31 December<br>2010<br>二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|-------------------------------------|-----------------|---|---|
| Trade payables (note 17(a))         | 應付貿易賬款(附註17(a)) | 165,485   | 175,919   |
| Bills payable (note 17(b))          | 應付票據(附註17(b))   | 210,000   | 124,200   |
| Dividends payable                   | 應付股息            | 78,476  | -   |
| Other payables and accrued expenses | 其他應付款項及應計開支     | 207,894   | 163,203   |
|                                     |                 | 661,855   | 463,322   |

Except for the retention money relating to construction projects totalling RMB17,792,000 (31 December 2010: RMB2,425,000), all of the trade and other payables are expected to be settled within one year.

除就建築項目保留之款項合共人民幣17,792,000元(二零一零年十二月三十一日：人民幣2,425,000元)外，預期所有應付貿易賬款及其他應付款項於一年內清付。

## 17. Trade and other payables (Continued)

- (a) The ageing analysis of trade and bills payables as of the balance sheet date based on invoice date is as follows:

|                |        | <b>30 June<br/>2011<br/>二零一一年<br/>六月三十日<br/>RMB'000<br/>人民幣千元</b> | 31 December<br>2010<br>二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|----------------|--------|---|---|
| Within 1 month | 一個月內   | <b>297,509</b>  | 196,188   |
| 1 to 3 months  | 一至三個月  | <b>44,613</b>   | 23,708  |
| 3 to 6 months  | 三至六個月  | <b>13,303</b>   | 69,220  |
| 6 to 12 months | 六至十二個月 | <b>3,036</b>  | 1,787   |
| 1 to 2 years   | 一至兩年   | <b>17,024</b>   | 9,216   |
|                |        | <b>375,485</b>  | 300,119   |

- (b) The Group's bills payable of RMB210,000,000 (31 December 2010: RMB124,200,000) as at 30 June 2011 are secured by the pledged bank deposits of RMB92,702,000 (31 December 2010: RMB70,047,000).

Included in trade payables are amounts due to related parties of RMB8,013,000 (31 December 2010: RMB55,098,000) as at 30 June 2011.

As at 31 December 2010, included in the Group's bills payable were bills payable to related parties of RMB2,000,000. There are no bills payable due to related parties as at 30 June 2011.

Included in other payables and accrued expenses is a payable to a related party of RMB42,700,000 (31 December 2010: RMB652,000) as at 30 June 2011.

## 17. 應付貿易賬款及其他應付款項(續)

- (a) 於結算日，應付貿易賬款及票據按發票日期計算的賬齡分析如下：

|                | <b>30 June<br/>2011<br/>二零一一年<br/>六月三十日<br/>RMB'000<br/>人民幣千元</b> | 31 December<br>2010<br>二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|----------------|---|---|
| Within 1 month | <b>297,509</b>  | 196,188   |
| 1 to 3 months  | <b>44,613</b>   | 23,708  |
| 3 to 6 months  | <b>13,303</b>   | 69,220  |
| 6 to 12 months | <b>3,036</b>  | 1,787   |
| 1 to 2 years   | <b>17,024</b>   | 9,216   |
|                | <b>375,485</b>  | 300,119   |

- (b) 於二零一一年六月三十日，本集團應付之票據人民幣210,000,000元(二零一零年十二月三十一日：人民幣124,200,000元)以有抵押銀行存款人民幣92,702,000元(二零一零年十二月三十一日：人民幣70,047,000元)抵押。

於二零一一年六月三十日，應付貿易賬款包括應付關連方款項人民幣8,013,000元(二零一零年十二月三十一日：人民幣55,098,000元)。

於二零一零年十二月三十一日，本集團應付之票據包括應付關連方票據人民幣2,000,000元。於二零一一年六月三十日並無應付關連方票據。

於二零一一年六月三十日，其他應付款項及應計開支包括應付關連方款項人民幣42,700,000元(二零一零年十二月三十一日：人民幣652,000元)。

## 18. Interest-bearing bank loans

At 30 June 2011, the bank loans were repayable as follow:



## 19. Deferred income

Various government grants have been received by the Group for generating export sales, participating in high-tech industry and constructing various manufacturing plants in Jinzhou, Liaoning Province, the PRC. In addition, certain government grants have been received by the Group to compensate for its research and development expenses in relation to the manufacturing of monocrystalline silicon solar ingots and wafers and interest expenses for certain specific loans. Amounts of RMB7,399,000 (six months ended 30 June 2010: RMB4,547,000) have been recognised in the consolidated income statement for the six months ended 30 June 2011 (note 4).

The remaining unused balances as at the end of each reporting period are included in the consolidated statement of financial position as deferred income. There are no unfulfilled conditions or contingencies relating to these grants. Amounts of RMB196,484,000 (31 December 2010: RMB167,464,000) as at 30 June 2011 of deferred income will be recognised in profit or loss after more than one year.

## 19. 遞延收入

本集團因產生出口銷售，從事高科技行業及於中國遼寧省錦州興建多家製造廠房而獲得不同之政府補貼。此外，本集團亦獲得若干政府補貼以資助其製造太陽能單晶硅錠及硅片之研發開支以及若干特定貸款之利息開支。截至二零一一年六月三十日止六個月，於綜合損益表已確認人民幣7,399,000元(截至二零一零年六月三十日止六個月：人民幣4,547,000元)之款項(附註4)。

於各報告期間結算日，未動用之餘款被納入綜合財務狀況表，列作遞延收入。該等補貼並無尚未達成之條件或或然事項。於二零一一年六月三十日，遞延收入人民幣196,484,000元(二零一零年十二月三十一日：人民幣167,464,000元)將於超過一年後於損益中確認。

## 20. Capital and reserves

(a) Movement of issued share capital during the period

## 20. 資本及儲備

(a) 期內已發行股本變動

|  |                       | 2011<br>二零一一年         |                                  | 2010<br>二零一零年         |                                  |
|--|-----------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
|  |                       | No. of shares<br>股份數目 | Amount<br>金額<br>RMB'000<br>人民幣千元 | No. of shares<br>股份數目 | Amount<br>金額<br>RMB'000<br>人民幣千元 |
| At 1 January   | 於一月一日                 | 1,807,170,425         | 162,458                          | 1,807,170,425         | 162,458                          |
| Share issued upon conversion of convertible bonds (note 20(b)) | 兌換可換股債券時發行股份(附註20(b)) | 435,000,000           | 36,127                           | -                     | -                                |
| At 30 June/31 December   | 於六月三十日<br>十二月三十一日     | 2,242,170,425         | 198,585                          | 1,807,170,425         | 162,458                          |

## 20. Capital and reserves (Continued)

### (b) Convertible bonds

As stated in note 22, on 26 January 2011, the Group acquired a 100% equity interest in Sino Light, satisfied by the issuance of zero-coupon convertible bonds of the Company with a principal amount of HK\$835,200,000. The convertible bonds were interest-free and would be converted by the bondholders at a conversion price of HK\$1.92 per ordinary share of the Company during the conversion period from 28 March 2011 to 26 January 2013. Upon conversion in full of the convertible bonds, an aggregate of 435,000,000 ordinary shares of the Company would be issued by the Company.

The number of shares into which the convertible bonds would be converted was fixed at the issuance date and the convertible bonds were interest-free and not redeemable in cash. The convertible bonds were classified entirely as equity of the Company and the fair value of RMB644,281,000 at the issuance date was recognised in equity in the other reserve.

The fair value of the convertible bonds was valued by the directors at the issuance date with reference to a valuation report issued by an independent professional valuer, Censere Holdings Limited. The estimate of the fair value of the convertible bonds was measured by applying the Binomial Option Pricing Model, with the following key assumptions:

|  |          |
|--|----------|
| Spot price at issuance date  | HK\$1.81 |
| Option life  | 2 months |
| Expected volatility  | 33.44%   |
| Risk-free interest rate  | 0.27%    |
| Expected dividend yield from issuance date to commencement date of conversion period | 0.00%    |

All of the convertible bonds were converted by the bondholders into ordinary shares of the Company on 21 June 2011. The nominal value of these shares of RMB36,127,000 was transferred from other reserve to share capital and the difference between the nominal value of these shares and the fair value of the convertible bonds, which amounted to RMB608,154,000, was transferred from other reserve to share premium.

## 20. 資本及儲備(續)

### (b) 可換股債券

誠如附註22所載，於二零一一年一月二十六日，本集團購入華光全部股本權益，並透過發行本公司本金額835,200,000港元之零息可換股債券付款。可換股債券免息，且債券持有人可於二零一一年三月二十八日至二零一三年一月二十六日之兌換期內，按兌換價每股本公司普通股1.92港元兌換該等債券。悉數兌換可換股債券後，本每純鈹股轴 阮 # 瓶饨

## 21. Related parties transactions

During the six months ended 30 June 2011 and 2010, transactions with the following parties are considered to be related party transactions:

| Name of party<br>各方名稱   | Relationship<br>關係  |
|---|---|
| Jinzhou Changhua Carbon Products Company Limited<br>("Jinzhou Changhua")<br>錦州昌華碳素製品有限公司  | Controlled by Chong Kin Ngai, a non-executive director of the Company |
| Wafar Works Corp. ("Wafar Works")<br>錦州榮物業管理有限公司  | Major shareholder of the Company<br>名憶垢詭 馮 櫛 铸 瞳模 w 干 楊彭 串) 受本公司執行    |
| Jinzhou Huachang Photovoltaic Technology Company Limited<br>("Huachang Guangfu") (Note)<br>錦州宏 己 界 桐 貝 煊 名憶垢詭 門 邮 橋 櫛 铸 名 附 註 瞳 模 月 ; 垢 祇 巖 宰 醜 |   |

ctor Material Co., Ltd. ("Jinzhou Jingxin")

名憶垢詭 馮 櫛 铸 瞳模 w 干 楊彭 弋 楊 倫 酯 价 礦 瀟 市 沉 专 踮 井 花 蕨

, Subsidiary of WWX

宰 醜

楊 策 楊

包 藉 古 鱗 焯 鯁 附 註 第 誠 如 附 註 2 2 所 披 露 , 該 公 司 關 於 本 報 明 報 報 告 附 註 第 一 零 一 號 及 第 一 零 二 號

## 21. 關連方交易

截至二零一一年及二零一零年六月三十日止六個月，下列人士的交易被視為關連方交易：

## 21. Related parties transactions (Continued)

## 21. Related parties transactions (Continued)

### (b) Recurring transactions

Particulars of significant transactions between the Group and the above related parties during the six months ended 30 June 2011 and 2010 are as follows:

## 21. 關連方交易(續)

### (b) 經常性交易

於截至二零一一年及二零一零年六月三十日止六個月，本集團與上述關連方之間的重大交易詳情如下：

|   |              | Six months ended 30 June<br>截至六月三十日止六個月 |                                   |
|---|--------------|---|-----------------------------------|
|   |              | 2011<br>二零一一年<br>RMB'000<br>人民幣千元       | 2010<br>二零一零年<br>RMB'000<br>人民幣千元 |
| Sales of goods to:                                    | 銷售貨品予：       |   |                                   |
| - Huachang Guangfu                                    | - 華昌光伏       | -                                       | 161,658                           |
| - WWX   | - 合晶科技       | -                                       | 293                               |
| - WWXS  | - 合晶硅材料      | -                                       | 307                               |
|   |              | -                                       | 162,258                           |
| Purchase of goods from:                               | 向下列各方購買貨品：   |   |                                   |
| - Huachang Guangfu                                    | - 華昌光伏       | 75,202                                  | 57,114                            |
| - Jinzhou Changhua                                    | - 錦州昌華       | 28,628                                  | 11,328                            |
| - WWX   | - 合晶科技       | 18,665                                  | 73,676                            |
| - Jinzhou Jingxin                                     | - 錦州京鑫       | 1,133                                   | 675                               |
|   |              | 123,628                                 | 142,793                           |
| Rental expense paid to Huachang Guangfu               | 支付予華昌光伏之租金開支 | -                                       | 574                               |
| Provision of electricity and water by Jinzhou Huarong | 錦州華榮提供水電     | 774                                     | 530                               |

## 21. 關連方交易(續)

## 22. Business combination

- (a) On 26 January 2011, the Group acquired 100% equity interest in Sino Light, satisfied by the issuance of zero-coupon convertible bonds of the Company which would be converted into 435,000,000 ordinary shares of the Company. The fair value of these convertible bonds on 26 January 2011 was HK\$762,104,000 (equivalent to RMB644,281,000) (see note 20(b) for details). Sino Light and its subsidiaries (the "Sino Light Group") are engaged in the manufacturing and trading of monocrystalline silicon solar cells. The acquisition of the Sino Light Group allows the Group to expand into the downstream of the solar industry.
- (b) The total turnover and net profit for the period contributed by the Sino Light Group for the period from its date of acquisition to 30 June 2011 were RMB226,370,000 and RMB29,752,000, respectively.

If this business combination had occurred on 1 January 2011, the Group's turnover and net profit for the period would have been approximately RMB1,312,649,000 and approximately RMB110,668,000, respectively. These amounts have been calculated by adopting the Group's accounting policies, eliminating the related intercompany transactions and adjusting the results of the relevant subsidiaries to reflect the additional amortisation and depreciation that would have been charged assuming the fair value adjustment to intangible assets, property, plant and equipment and lease prepayments have been applied from 1 January 2011, together with the consequential tax effects.

## 22. 業務合併

- (a) 於二零一一年一月二十六日，本集團購入華光全部股本權益，並透過發行本公司之零息可換股債券付款，該等債券可兌換為435,000,000股本公司普通股。該等可換股債券於二零一一年一月二十六日之公平值為762,104,000港元，相當於人民幣644,281,000元(請參閱附註20(b)，以瞭解詳情)。華光及其附屬公司(「華光集團」)從事太陽能單晶硅電池之製造及買賣業務。收購華光集團可讓本集團擴大至太陽能行業之下游業務。
- (b) 華光集團期內貢獻之總營業額及純利自有關收購日期起至二零一一年六月三十日止期間分別為人民幣226,370,000元及人民幣29,752,000元。

倘有關業務合併於二零一一年一月一日已發生，則本集團期內之營業額及純利將分別約人民幣1,312,649,000元及約人民幣110,668,000元。計算有關金額時已採納本集團之會計政策，抵銷公司間之有關連交易，並調整相關附屬公司業績，以反映假設對無形資產、物業、廠房及設備以及租賃預付款項之公平值調整自二零一一年一月一日起已應用時原先應已收取之額外攤銷及折舊連同相應稅務影響。

## 22. Business combination (Continued)

- (c) The acquisition of the Sino Light Group had the following effect on the Group's assets and liabilities on the date of acquisition:

|   |                          | Carrying amount<br>賬面值<br>RMB'000<br>人民幣千元 | Fair value adjustment<br>公平值調整<br>RMB'000<br>人民幣千元 | Fair value<br>公平值<br>RMB'000<br>人民幣千元 |
|---|--------------------------|--|--|---------------------------------------|
| Property, plant and equipment   | 物業、廠房及設備                 | 324,602                                    | (10,061)   | 314,541                               |
| Intangible assets   | 無形資產                     | -  | 254,869  | 254,869                               |
| Lease prepayments   | 租賃預付款項                   | 18,352                                     | 3,533  | 21,885                                |
| Inventories   | 存貨                       | 24,684                                     | 9,469  | 34,153                                |
| Trade and other receivables   | 應收貿易賬款及其他應收款項            | 195,880                                    | -  | 195,880                               |
| Cash and cash equivalents   | 現金及現金等價物                 | 33,670                                     | -  | 33,670                                |
| Trade and other payables  | 應付貿易賬款及其他應付款項            | (132,531)                                  | -  | (132,531)                             |
| Current tax payable   | 即期應付稅項                   | (1,418)                                    | -  | (1,418)                               |
| Long-term bank loans  | 長期銀行貸款                   | (190,000)                                  | -  | (190,000)                             |
| Deferred tax assets/(liabilities)   | 遞延稅項資產 (負債)              | 3,902                                      | (56,819)   | (52,917)                              |
| Deferred income   | 遞延收入                     | (42,088)                                   | -  | (42,088)                              |
| Net assets acquired   | 所購入資產淨值                  | 235,053                                    | 200,991  | 436,044                               |
| Goodwill arising from acquisition   | 收購產生之商譽                  |  |  | 208,237                               |
| Total consideration satisfied by issuance of convertible bonds (note 20(b)) | 透過發行可換股債券支付之總代價(附註20(b)) |  |  | 644,281                               |
| Net cash inflow in respect of the acquisition of subsidiaries               | 涉及收購附屬公司之現金流入淨額          |  |  | 33,670                                |

The balances of the trade and other receivables were considered fully recoverable at the date of acquisition.

The intangible assets comprised customer relationships, patents and sales contracts with fair values of RMB185,230,000, RMB67,228,000 and RMB2,411,000 respectively as at the acquisition date. The goodwill is attributable mainly to the benefit of skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the entities into the Group's existing businesses. None of the goodwill recognised is expected to be deductible for income tax purposes.

## 22. 業務合併(續)

- (c) 收購華光集團對本集團於收購日期之資產及負債構成以下影響：

|   |                          | Carrying amount<br>賬面值<br>RMB'000<br>人民幣千元 | Fair value adjustment<br>公平值調整<br>RMB'000<br>人民幣千元 | Fair value<br>公平值<br>RMB'000<br>人民幣千元 |
|---|--------------------------|--|--|---------------------------------------|
| Property, plant and equipment   | 物業、廠房及設備                 | 324,602                                    | (10,061)   | 314,541                               |
| Intangible assets   | 無形資產                     | -  | 254,869  | 254,869                               |
| Lease prepayments   | 租賃預付款項                   | 18,352                                     | 3,533  | 21,885                                |
| Inventories   | 存貨                       | 24,684                                     | 9,469  | 34,153                                |
| Trade and other receivables   | 應收貿易賬款及其他應收款項            | 195,880                                    | -  | 195,880                               |
| Cash and cash equivalents   | 現金及現金等價物                 | 33,670                                     | -  | 33,670                                |
| Trade and other payables  | 應付貿易賬款及其他應付款項            | (132,531)                                  | -  | (132,531)                             |
| Current tax payable   | 即期應付稅項                   | (1,418)                                    | -  | (1,418)                               |
| Long-term bank loans  | 長期銀行貸款                   | (190,000)                                  | -  | (190,000)                             |
| Deferred tax assets/(liabilities)   | 遞延稅項資產 (負債)              | 3,902                                      | (56,819)   | (52,917)                              |
| Deferred income   | 遞延收入                     | (42,088)                                   | -  | (42,088)                              |
| Net assets acquired   | 所購入資產淨值                  | 235,053                                    | 200,991  | 436,044                               |
| Goodwill arising from acquisition   | 收購產生之商譽                  |  |  | 208,237                               |
| Total consideration satisfied by issuance of convertible bonds (note 20(b)) | 透過發行可換股債券支付之總代價(附註20(b)) |  |  | 644,281                               |
| Net cash inflow in respect of the acquisition of subsidiaries               | 涉及收購附屬公司之現金流入淨額          |  |  | 33,670                                |

應收貿易賬款及其他應收款項之結餘被視為可於收購日期收回。

無形資產包括客戶關係、專利權以及於收購日期公平值分別為人民幣185,230,000元、人民幣67,228,000元及人民幣2,411,000元之銷售合約。商譽主要因所購入業務勞動人手之技能有務合併

### 23. Capital commitments

Capital commitments that related to the purchase of property, plant and equipment outstanding at the end of the reporting period not provided for in the unaudited interim financial report were as follows:

|                                   |         | 30 June<br>2011<br>二零一一年<br>六月三十日<br>RMB'000<br>人民幣千元 | 31 December<br>2010<br>二零一零年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|-----------------------------------|---------|---|---|
| Authorised and contracted for     | 已授權並已訂約 | 402,554   | 256,972   |
| Authorised but not contracted for | 已授權但未訂約 | 47,481  | 141,235   |

### 23. 資本承擔

有關購置物業、廠房及設備於報告期間結算日尚未償還且仍未在未經審核中期財務報告內撥備的資本承擔如下：

### 24. Non-adjusting event after the reporting date

In July 2011, after the approval by the local government of Qinghai Province, the Group commenced constructing a 20MW photovoltaic power station in Golmud, Qinghai Province, the PRC. The estimated construction cost of the power station is approximately RMB329,000,000.

On 19 August 2011, the Company entered into a subscription agreement with a financial institution and proposed to issue RMB300,000,000 bonds with a maturity of three years due on 24 August 2014 (the "Bonds"). The Bonds were issued at 100% of the aggregate principal amount and are denominated in RMB bearing interest at 4.75% per annum payable semi-annually in arrears. The Bonds were issued in full on 24 August 2011.

### 24. 毋須作出調整的報告日後事項

於二零一一年七月，經青海省地方政府批准，本集團著手在中國青海省格爾木建設一個發電量達20兆瓦的光伏發電站。發電站的估計建設成本約人民幣329,000,000元。

於二零一一年八月十九日，本公司與一間金融機構訂立認購協議，擬發行人民幣300,000,000元、為期三年並於二零一四年八月二十四日到期的債券（「債券」）。債券按本金總額100%發行，並以人民幣計值，年利率為4.75%，須每半年期末支付。債券已於二零一一年八月二十四日獲全數發行。



**Solargiga Energy**



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