



Solargiga Energy

Solargiga Energy Holdings Limited 陽光能源控股有限公司

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份編號：757

INTERIM REPORT 中期業績報告 2008



AT THE DAWN OF
A NEW ERA
旭日初升 生機展現

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Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. TAN Wenhua
Mr. HSU You Yuan
Ms. ZHANG Liming

Non-executive Directors

Mr. CHIAO Ping Hai (Chairman)
Mr. CHONG Kin Ngai

Independent Non-executive Directors

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

Company Secretary

Tong Wan Sze (CPA, FCCA, MBA)

Qualified Accountant

Tong Wan Sze (CPA, FCCA, MBA)

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

Nomination Committee

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

Auditor

KPMG

Principal Bankers

Jinzhou City Commercial Bank
Agricultural Bank of China

董事會

執行董事

譚文華先生
許祐淵先生
張麗明女士

非執行董事

焦平海先生(主席)
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

湯雲斯(CPA, FCCA, MBA)

合資格會計師

湯雲斯(CPA, FCCA, MBA)

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

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

錦州市商業銀行
中國農業銀行

Registered Office

Cricket Square
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Grand Cayman, KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

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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,
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Wanchai
Hong Kong

Corporate Website

www.solargiga.com

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Butterfield House
68 Fort Street
P.O. Box 705
Grand Cayman, KY1-1107
Cayman Islands

股份過戶登記處香港分處

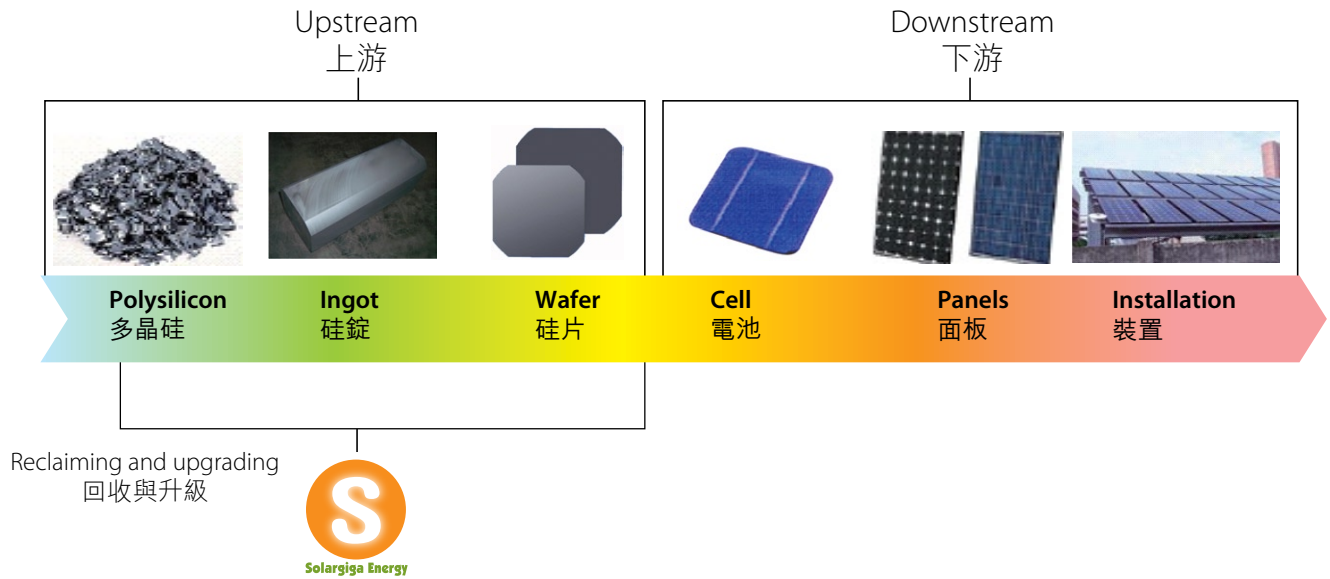
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Company Profile

公司簡介



Solargiga Energy Holdings Limited (the "Company", together with its subsidiaries collectively the "Group", stock code: 757) is China's second largest manufacturer of monocrystalline silicon ingots measured in terms of production output and sales. Its products are used for the manufacture of PV cells which are important components of solar energy generation systems. It is engaged in three main businesses:

- (a) the trading and manufacturing of monocrystalline silicon ingots and wafers;
- (b) the processing of solar ingots and wafers; and
- (c) the upgrading and trading of polysilicon.

The Group operates its major production facilities of monocrystalline solar ingots and wafers in Jinzhou, Liaoning province, the PRC. The facilities were equipped with 196 monocrystalline solar ingot pullers and 24 wiresaws, with an aggregate annual designed capacity of 2,000 tonnes of monocrystalline solar ingots and 48 million pieces of monocrystalline solar wafers as at 30 June 2008.

In addition, the Group operates polysilicon reclaiming and upgrading facilities in Shanghai and Jinzhou. These reclaiming facilities allow the Company to gain production cost advantages on solar products. As at 30 June 2008, the polysilicon reclaiming and upgrading facilities had an aggregate annual designed throughput of 2,400 tonnes.

Already a leader in the PRC market, the Group aspires to be the world's largest monocrystalline solar ingot and wafer producer through rapid capacity expansion and technology upgrade.

陽光能源控股有限公司(「本公司」，連同其附屬公司統稱「本集團」，股份代號: 757)為中國第二大單晶硅錠製造商(按產量及銷售額計)。其產品適用於製造光伏電池，而光伏電池為太陽能發電系統的重要組件。本集團從事三項主要業務：

- (a) 買賣及製造單晶硅錠及硅片；
- (b) 提供太陽能硅錠及硅片的加工服務；及
- (c) 改良及買賣多晶硅。

本集團主要設施位於中國遼寧省錦州市，經營太陽能單晶硅錠及硅片生產，於二零零八年六月三十日有196台單晶硅錠拉製機及24台線鋸，該生產設施的設計總產能為每年2,000噸太陽能單晶硅錠及48,000,000片太陽能單晶硅片。

此外，本集團於上海及錦州經營多晶硅回收及改良設施，使本公司於太陽能產品上取得生產成本優勢。於二零零八年六月三十日，多晶硅回收及改良設施的指定總年產量2,400噸。

作為中國市場的翹楚，本集團透過迅速擴大產能及技術升級，銳意成為全球最大太陽能單晶硅錠及硅片製造商。

Financial Highlight

財務摘要

As at or for the half-year ended 30 June
於六月三十日或截至六月三十日止半年

		Net changes 變動淨額	2008 二零零八年	2007 二零零七年
Operating results (RMB million)	經營業績 (人民幣百萬元)			
Sales	營業額	76.2%	685.5	389.0
Gross profit	毛利	146.4%	276.7	112.3
Operating profit	經營利潤	131.2%	237.6	102.8
Profit attributable to equity shareholders of the Company	本公司權益股東應佔利潤	170.8%	194.9	72.0
Profitability (%)	盈利能力 (%)			
Gross profit margin	毛利率	11.5	40.4	28.9
Operating profit margin	經營毛利率	8.2	34.7	26.4
Profit attributable to equity shareholders of the Company	本公司權益股東應佔利潤	9.9	28.4	18.5
Earnings per share – basic (RMB Cents)	每股盈利-基本 (人民幣分)	7.5	12.5	5.0
Liquidity	流動資金			
Current ratio (times)	流動比率 (倍)	5.4	7.7	2.3
Net cash (RMB million)	現金淨額 (人民幣百萬元)	322.8	542.0	219.2

Note: The above calculation excluded one-off non-operating items: IPO expenses of RMB11.6 million in 2008 and gain on acquisition of the Acquired Group of RMB74.8 million in 2007.

附註：上述計算並無包括一次性非經營項目：二零零八年的首次公開發售開支人民幣11,600,000元以及二零零七年的收購被收購集團收益人民幣74,800,000元。

Management Discussion and Analysis

管理層討論及分析

Business Review

The Group was successfully listed on the Main Board of Hong Kong Stock Exchange on 31 March 2008. Not only did the listing accelerate the process of expanding the Group's production capacity and enhancing technology, it also laid a solid foundation for its future development and further internationalisation. In 2008, the Group focuses on consolidating its leading position among the manufacturers of monocrystalline silicon ingots and wafers in China, with the aim of achieving a stable and continuous growth in profit, creating value for its business as well as maximizing return for its shareholders.

Expand production capacity to capture market opportunities

As global warming intensifies and fossil fuel prices continue to rise, the demand for green energy has been escalating. The solar photovoltaic (PV) industry in which the Group is engaged is developing with a quantum leap. As for the global PV markets, Germany, Spain, Japan and Italy are currently the major ultimate markets, while the US, South Korea, Australia and the Middle East are developing in full swing. Being a major energy consumer, China's future development potential is enormous and thanks to its economic growth and needs of environmental protection. To capture the persistent global demand for PV products, the Group started to operate additional 96 ingots pullers and 16 wiresaws in the third quarter of 2008, and expects that 13 more wiresaws will be in place by the end of 2008. As a result, the annual production capacity of monocrystalline silicon ingots was doubled to 2,000 tons in 2008 as compared to last year, while that of wafers significantly increased by 2.3 times to 56 million pieces with light energy conversion capability of approximately 200MW. The Group believes that the increased production capacity can speed up market share acquisition and improve operating efficiency, which will in turn sharpen the cutting edge of Solargiga in capturing opportunities arising from the fast expanding market.

Strategic alliances to secure stable supply of raw materials

In face of the rapid growth of the PV industry and to further strengthen the PV value chain of the Group, the Group formed strategic alliances with three leading players in the PV related industry, namely, Wafer Works Corporation, Space Energy Corporation and Sumitomo Corporation, capitalizing on the shared management experiences and enhanced technology on solar energy.

Polysilicon, the Group's major raw material, is in serious short supply due to insufficient output which leads to the escalating prices of the material. With the 96 newly purchased ingots pullers commencing commercial production in the second half of the year, production capacity of monocrystalline silicon ingots and wafers will significantly increase, so will the Group's demand for polysilicon, which is in severe short supply around the globe. In order to secure sufficient supply of polysilicon for 2008 to cater for the current production capacity and further ensure stable supply for 2009 and even for the mid-to-long term at favourable prices, the Group entered into the WWX Supplemental Supply Agreement and WWX Supplemental Sale Agreement on 4 June 2008 with Wafer Works Corporation to greatly increase the annual caps for the polysilicon supply and ingot as well as wafer sales from 2008 to 2010, lending further support to the Group's sustainable development in future. In addition, the Group will seek to enter into long-term supply contracts with other polysilicon manufacturers in order to stabilise the sources of supply for some raw materials.

業務回顧

本集團於二零零八年三月三十一日成功於香港聯交所主板上市，除有助加快提升本集團產能及技術水平外，並為日後業務發展及進一步國際化奠定穩固基礎。二零零八年，本集團的主要業務目標為鞏固其作為中國單晶硅錠及硅片生產商的領導市場地位，以實現利潤持續穩定增長和持續創造價值，並為股東帶來最大回報。

擴充產能 抓住市場契機

隨著全球氣候暖化問題日趨嚴重，加上化石燃料價格不斷攀升，世界各地對綠色能源的需求與日俱增，在這些綠色能源中，本集團所在之太陽光電(Photovoltaic·PV·光伏)產業的發展，更是一日千里。就全球PV市場而言，以德國、西班牙、日本及意大利為目前主要最終市場，美國、南韓、澳洲、中東正快速發展。中國作為一個能源消耗大國，隨著經濟增長及環境保護的需求，未來發展潛力更是十足。為把握全球對PV產品的持續殷切需求，本集團於二零零八年第三季開始運作額外96台單晶硅錠拉製機及16台線鋸，並預期於二零零八年底再添置13台線鋸，使二零零八年度單晶硅錠產能較去年度提升一倍至2,000噸，而硅片產能則大幅增加2.3倍至5,600萬塊，能轉化成約200兆瓦電力。本集團相信此舉將有助快速拓展市場份額，提升營運效益，從而進一步鞏固陽光能源的競爭優勢，並抓住現正高速發展的市場機遇。

策略結盟 穩定原材料供應

面對PV產業的快速增長及為強化本集團於光伏產業價值鏈緊扣的優勢，本集團與合晶科技、宇宙能源株式會社及住友商事株式會社等三家在PV相關產業的領先企業合組策略聯盟，讓本集團能夠共用管理經驗及提升太陽能技術。

鑑於目前本集團主要原材料多晶硅擴產不足，造成嚴重短缺，導致多晶硅價格飆升。加上待新購的96台拉製機在下半年商業性投產後，單晶硅錠及硅片的產能會大幅增加，因而對全球供應嚴重短缺的多晶硅生產原材料需求也相應提升。為保障本集團取得二零零八年現有產能所需的原材料，以及確保二零零九年及未來中長期能以有利價格取得穩定原材料供應，本集團於二零零八年六月四日，與合晶科技訂立合晶科技補充供應協議及合晶科技補充銷售協議，大幅增加於二零零八年至二零一零年多晶硅供應及硅錠與硅片銷售的年度上限，以進一步支持集團未來的持續發展；另外，本集團亦將尋求與其他多晶硅廠簽訂長期供料合同，以穩定部份原材料供應來源。

Enhance technology to implement effective cost control

For solar energy to become a full-fledged alternative energy, its production costs without government subsidies must be able to compete with those of traditional fossil fuel energy. Therefore, apart from expanding production capacity and pursuing lower costs by economy of scale, the Group believes that only through continuous enhancement of production technology, quality improvement and cost reduction can it succeed in the long run with fierce competition fueled by new entrants as soon as the issue of polysilicon shortage is resolved. Since the entry barrier of and the technology level involved in monocrystalline solar ingot and wafer manufacture are relatively high, Solargiga, through its close co-operation with its strategic shareholders, integrated the advanced proprietary production know-how from China, Taiwan and Japan, such as the technologies on reclaimed silicon upgrading, crystal pulling for a mix of reclaimed and high-purity polysilicon, design of hot zone of crystal pulling, enhancement of slicing accuracy and yield rate. With a production model of vertical integration, Solargiga upgraded scrap polysilicon which could not be used directly in the production process by utilizing various unique techniques, and appropriately implemented the mixed use of such reclaimed polysilicon and high purity polysilicon in its production to deliver better quality at higher production efficiency and lower costs.

During the six months ended 30 June 2008, the Group' research and development team has successfully introduced a 20 inch hot zone for the production of 156 x 156 mm wafers and hence further enhanced its production efficiency. 156 x 156 mm monocrystalline wafers produced in 20 inch hot zone will be put into commercial production when there is strong demand for this kind of wafer.

Financial Review

As at 30 June 2008, with its expanded capacity, enhanced operation efficiency as well as technology and full support from its strategic shareholders, the Group continued to record rapid growth in its operations and achieved brilliant results during the period under review.

As the acquisition of Waferworks' solar business unit, Solar Technology Investment (Cayman) Corp. and its subsidiaries (together, the "Acquired Group"), was completed on 26 June 2007, contribution from the Acquired Group for the post-acquisition period since that date was incorporated into the unaudited consolidated income statement of the Group for the six months ended 30 June 2008.

提升技術 有效控制成本

太陽能發電要作為一個成熟的替代能源，其發電成本必須在沒有政府政策補助支持下，與傳統化石能源發電成本作競爭。因此，除了擴大產能，追求規模經濟降低成本外，未來當多晶硅缺料問題解決，新加入者眾，競爭更為激烈時，本集團相信唯有透過不斷提升生產技術，提高品質、降低成本，才能長遠爭勝。由於生產太陽能單晶硅錠及硅片的入行門檻及技術含量均處於較高水平，憑藉本集團與策略性股東的緊密合作關係，陽光能源結合中國、台灣及日本地區的先進、專有太陽能技術，包括回收硅材料改良、回收料與原多晶料混合拉晶配方、拉晶熱場設計及切薄片平整度與良率控制等。透過垂直整合的生產模式，利用多種獨特技術將不能直接用於生產的多晶硅廢料進行升級，並適當與多種純晶硅料混合使用於生產中，有助進一步降低生產成本，提高生產效率，製造更優質的產品。

於截至二零零八年六月三十日止六個月，本集團之研發團隊為156 x 156毫米硅片的生產成功引入20吋熱場，把生產效率進一步提高。20吋熱場生產之156 x 156毫米單晶硅片，將於此類硅片出現龐大需求時投入商業生產。

財務回顧

於二零零八年六月三十日，本集團透過擴大產能、提升營運效益和技術水平，加上獲策略性股東的全面支持，使業務持續快速增長，並於回顧期內取得亮麗的成績。

鑑於收購合晶科技旗下經營太陽能業務的 Solar Technology Investment (Cayman) Corp. 及其附屬公司(統稱「被收購集團」)已於二零零七年六月二十六日完成，本集團於截至二零零八年六月三十日止六個月的未經審核綜合損益表資料，將包括被收購集團於二零零七年六月二十六日被收購後期間的貢獻。

Turnover

For the six months ended 30 June 2008, the Group's turnover increased to RMB685.5 million from RMB389.0 million for the corresponding period last year, representing a year-on-year growth of 76.2%. The increase was mainly due to the following reasons:

1. Since the completion of the acquisition of the Acquired Group on 26 June 2007, the designed annual ingot production capacity has increased by 36.0% from 759 tons to 1,032 tons.
2. The Group has manufactured and processed more wafers than ingots so as to provide a one-stop solution to customers, thereby further increasing revenues.
3. Higher global demand has driven rising market prices of solar ingots and wafers. In addition, under the existing seller-dominated market, the Group has been able to pass the increasing price pressure of polysilicon onto downstream players by charging higher selling prices.

營業額

截至二零零八年六月三十日止六個月，本集團的營業額由去年同期的人民幣389,000,000元增至人民幣685,500,000元，較去年同期增長76.2%。營業額增加主要由於以下原因：

1. 自二零零七年六月二十六日收購被收購集團完成後，硅錠的設定年產量由759噸增加36.0%至1,032噸。
2. 為向客戶提供一站式服務，本集團生產及加工之硅片較硅錠多，從而進一步增加收入。
3. 全球市場需求增加導致硅錠及硅片的市價上升。此外，於目前由賣方主導之市場下，本集團得以提高售價，將多晶硅價格上升的壓力轉嫁至下游市場參與者。

Monocrystalline Solar Ingot Pullers 太陽能單晶硅錠控制機



As a result these explain the significant growth of the following operations:

1. Strong sales of solar wafers, which surged by 99.5% from RMB226.6 million to RMB452.1 million. This was attributable to the increase in both sales volume and average selling prices. During the six months ended 30 June 2008, the volume of wafer sold soared by 91.6 % from 5.1 million pieces to 9.7 million pieces.
2. Increased revenue from processing and upgrading service fees, which rose by 15.8%, from RMB44.1 million for the corresponding period last year to RMB51.1 million. This was mainly attributable to the increases in volume and fee of processing wafers and scrap polysilicon on behalf of customers.
3. Increased revenue from trading upgraded polysilicon amounting to RMB59.3 million. The Acquired Group purchases scrap polysilicon and upgrades it. Those upgraded polysilicon, which is not suitable for the Group's use in monocrystalline silicon ingot production, is then sold to third parties.

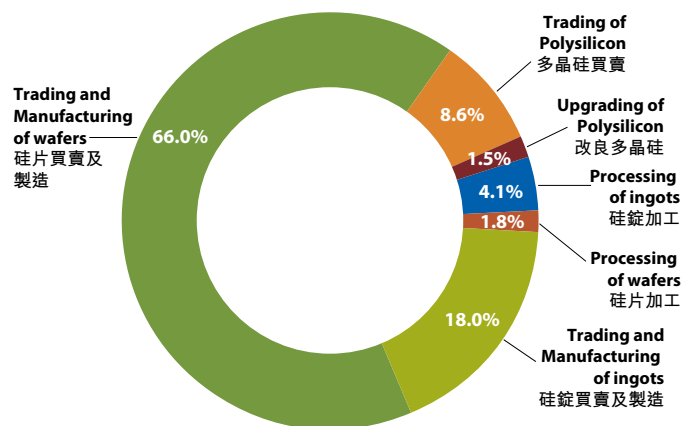
In terms of geographical contribution, the revenue was mainly generated from PRC, 73.6% of the Group's consolidated revenue, as the Group has sold more products and provided more processing service to PRC quality customers, thereby capitalizing on RMB appreciation and minimising the impact as a result of the reduction of VAT export refund originating from overseas sales of ingots and wafers, starting from July 2007. The remainder was mainly generated from sales to Taiwan (12.9%) and Japan (11.4%).

上述因素帶動以下營運大幅增長：

1. 太陽能硅片的銷售強勁，由人民幣226,600,000元增至人民幣452,100,000元，大幅上升99.5%。該增幅由於銷量及平均售價增加所致。於截至二零零八年六月三十日止六個月，硅片的銷量由5,100,000片增至9,700,000片，較去年同期增長91.6%。
2. 來自加工及改良服務費的收入增加，由去年同期的人民幣44,100,000元，上升15.8%至人民幣51,100,000元。升幅主要由於代客戶加工硅片及多晶硅廢料數量及費用增加所致。
3. 經改良多晶硅的收入增至人民幣59,300,000元。被收購集團購入多晶硅廢料並將其改良，該等不適合本集團用作生產單晶硅錠的經改良多晶硅其後將售予第三方。

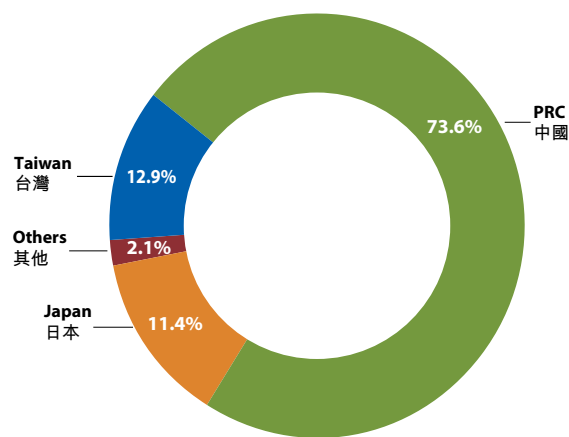
就按地區劃分收入貢獻而言，收入主要來自中國，佔本集團綜合收入73.6%，此乃由於本集團向中國優質客戶銷售更多產品及提供更多加工服務，以利用人民幣升值之優勢，更可減輕自二零零七年七月起外銷硅錠及硅片的增值稅出口退稅減少所帶來的影響。其餘收入則主要來自台灣(12.9%)及日本(11.4%)。

Turnover Breakdown – By Business 營業額 – 按業務劃分



For the six months ended 30 June, 2008
截至二零零八年六月三十日止六個月

Turnover Breakdown – By Region 營業額 – 按市場劃分



For the six months ended 30 June, 2008
截至二零零八年六月三十日止六個月

Cost of sales

For the six months ended 30 June 2008, cost of sales increased by 47.7% to RMB408.8 million from RMB276.7 million for the same period last year. The increase was due to the substantial increase in turnover and the increase in raw material price. As a percentage of total turnover, cost of sales decreased from approximately 71.1% to 59.6%.

The increase in raw material costs was mainly due to shortage of polysilicon, which led to an increase in the price of the silicon raw materials. Besides, the need for more intensive upgrading steps to be taken in using more reclaimed polysilicon in the ingot production process to ensure comparable product quality also involved extra costs. As a result polysilicon cost is the largest component of cost of sales, followed by costs of auxiliary materials such as crucibles and graphites.

Gross profit and gross profit margin

During the period under review, the gross profit of the Group for the six months ended 30 June 2008 reached RMB276.7 million, an increase of 146.4% as compared to RMB112.3 million for the same period last year. This was because of the substantial increase in revenue as a result of the increased sales and processing service of solar ingots and wafers.

Gross profit margin surged from approximately 28.9% for the six months ended 30 June 2007 to 40.4% for the same period in 2008. This was mainly attributable to the following reasons:

1. Thanks to the current seller-dominated market and the Group's well recognized product qualities, the Group succeeded in positioning its products in the premium end of the market with higher selling prices and recorded high sales volume.
2. Lowered polysilicon costs resulted from the integration with the Acquired Group. Prior to the acquisition taking place in June 2007, the Acquired Group purchased low cost scrap polysilicon from Waferworks and then sold ingots produced to the Group with mark-ups. Therefore the Group did not fully enjoy the benefit from such low cost supply. Synergy has been achieved after the acquisition of the Acquired Group. Therefore the Group managed to control the costs despite the current rocketing polysilicon prices.

In addition the acquisition led to 36% increase in ingot production capacity, resulting in greater economies of scale to drive better cost advantages.

3. The Acquired Group had low grade scrap polysilicon stock at low costs. As this stock is not suitable for internal use, the Acquired Group sold a portion of this stock at prevailing high prices during the year, resulting in contributing a high gross profit margin.

銷售成本

截至二零零八年六月三十日止六個月，銷售成本由去年同期的人民幣276,700,000元增加至人民幣408,800,000元，增幅為47.7%，主要由於營業額大幅增加及原材料價格上升所致。銷售成本佔總營業額的百分比，則由約71.1%增至59.6%。

原材料成本增加主要由於多晶硅短缺，導致硅原材料的價格上漲，加上於硅錠生產過程中採用較多回收多晶硅，為達相同產品品質，故需採取較密集的改良步驟，從而提高成本。因此，多晶硅成本佔銷售成本之最大部分，其次為坩堝及石墨等輔料成本。

毛利及毛利率

於回顧期內，本集團毛利由去年同期的人民幣112,300,000元，增至截至二零零八年六月三十日止六個月的人民幣276,700,000元，增加146.4%，此乃由於太陽能硅錠及硅片的銷售及加工服務增加，以致收入大幅增加所致。

毛利率由截至二零零七年六月三十日止六個月約28.9%上升至截至二零零八年同期的40.4%，升幅主要原因如下：

1. 由於市場由賣方主導以及本集團的產品質量廣受認同，本集團產品得以優質及相對高價定位，暢銷於市場。
2. 與被收購集團綜合業務令多晶硅成本下降。於二零零七年六月進行收購前，被收購集團向合晶科技購買低成本多晶硅廢料，然後將所生產的硅錠標高售價後售予本集團，故本集團並未能完全享受低成本供應帶來的益處。收購被收購集團後產生協同效益，因此，儘管目前多晶硅價格飆升，本集團依然能夠控制成本。

此外，收購令硅錠產能提升36%，達致更大規模經濟效益，從而締造更佳成本優勢。

3. 被收購集團擁有低成本的低等級多晶硅廢料存貨。由於該等存貨不適合供內部使用，被收購集團於年內以當時高價出售部分該等存貨，從而獲得高毛利率。

- Stringent cost control and improvement in production efficiency enhanced by R&D. In view of the severe polysilicon shortage, the Group has maintained its technical know-how advantage to reduce ingot and wafer manufacturing costs.

Other revenue

Other revenue mainly comprised interest income from bank deposits for the six months ended 30 June 2008. In 2007 it also consisted of an one-off non-operating gain on acquisition of the Acquired Group amounting to RMB74.8 million. This gain was the difference between the fair value of net assets of the Acquired Group at the acquisition date and the acquisition consideration.

Other net loss

Other net loss mainly comprised net foreign exchange losses amounting to RMB5.4 million. The losses arose from appreciation in RMB, the reporting currency, during the time gap between the transaction dates and the settlement dates.

Selling and distribution expenses

Selling and distribution expenses comprised mainly packaging expenses, freight charges and insurance expenses. There was an increase of 103.1%, from RMB1.5 million for the six months ended 30 June 2007 to RMB3.1 million for the period under review, accounting for only 0.5% of the Group's total turnover, owing to the strong global demand in ingots and wafers. The increase in the expenses was in line with that of turnover.

Administrative expenses

Administrative expenses comprised mainly the listing expenses of RMB11.6 million, share-based payment related to employee shares awarded prior to the IPO amounting to RMB8.5 million, staff costs and bonuses. Excluding both listing expenses and share-based payment which were not incurred in the first half of 2007, the administrative expenses for the first half of 2008 amounted to RMB25.3 million, increased year-on-year by 194.3%, or 3.7% of the Group's turnover. The increase was mainly due to (1) the increase in employees following the production capacity enhancement, and the expansion of workforce and senior management after the acquisition of the Acquired Group; (2) the higher compliance related expenses incurred due to the strengthening of corporate governance after listing.

Finance costs

The Group's finance costs reduced from RMB3.3 million for the six months ended 30 June 2007 to RMB1.3 million for the six months ended 30 June 2008. Finance costs represented mainly interests on bank loans and municipal government loan. The reason for the decrease in finance costs was due to bank loan repayment after the IPO.

- 領先的研發加強成本控制以及改善生產效率。鑑於多晶硅嚴重短缺，本集團保持其技術優勢，以減低硅錠及硅片的生產成本。

其他收入

截至二零零八年六月三十日止六個月，其他收入主要包括銀行存款利息收入。於二零零七年之其他收入則包括收購被收購集團所產生的一次性非經營收益人民幣74,800,000元。該收益乃被收購集團於收購日期的淨資產公平值與收購代價之間的差額。

其他虧損淨額

其他虧損淨額主要包括匯兌虧損淨額人民幣5,400,000元。產生該等虧損因交易日期與結算日期的相距期間人民幣(呈報貨幣)升值所致。

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二零零七年六月三十日止六個月的人民幣1,500,000元，增至回顧期內的人民幣3,100,000元，增幅103.1%，僅佔本集團總營業額的0.5%，此乃由於硅錠及硅片的全球需求強勁所致，而此增幅與營業額的增幅相符。

行政開支

行政開支主要包括上市開支人民幣11,600,000元、於首次公開發售前授予員工股份的以股份支付款項人民幣8,500,000元、員工成本及花紅。剔除並非於二零零七年上半年產生的上市開支及以股份支付款項後，二零零八年上半年的行政開支為人民幣25,300,000元，較去年同期增加194.3%，或佔本集團營業額3.7%。行政開支上升，主要原因為：(1)員工人數隨著擴充產能而增加，以及收購被收購集團後，員工與管理層人數增加；(2)因上市後強化公司管治，產生較多合規相關開支。

融資成本

本集團的融資成本由截至二零零七年六月三十日止六個月的人民幣3,300,000元減至截至二零零八年六月三十日止六個月的人民幣1,300,000元。融資成本主要為銀行貸款及市政府貸款的利息。融資成本減少乃由於首次公開發售後償還銀行貸款所致。

Income tax

Income tax increased by 11.6 times from RMB3.3 million for the six months ended 30 June 2007 to RMB41.3 million for the six months ended 30 June 2008, mainly due to the increases in profit before taxation and effective tax rate. Starting from 2008 the Group also needs to account for the deferred tax expenses arisen from the withholding tax on dividend to be distributed from earnings generated from 2008. The tax amount is mainly calculated at 5% of PRC entities' earnings during the review period.

Excluding the non-taxable gain on the acquisition of the Acquired Group of RMB74.8 million in 2007, the non-deductible listing expenses of RMB11.6 million and the deferred tax expenses of RMB10.7 million incurred in 2008, the adjusted effective income tax rate increased from 3.3% for the six months ended 30 June 2007 to 13.0% for the same period in 2008. This was attributable to the change in tax concession enjoyed by the PRC entities, resulting in the increase in income tax rate ranging from zero to 13.5% in the first half of 2007 as compared with that ranging from 12.5% to 25% in the first half of 2008.

Profit from operations, Profit attributable to equity shareholders

Excluding the one-off gain on the acquisition of the Acquired Group generated in 2007 and listing expenses incurred in 2008, during the period under review, the Group's profit from operations shot up by 131.4%, from RMB102.7 million for same period last year to RMB237.6 million, accounting for 34.7% of the total turnover. This was mainly the result of the substantial increase in gross profit, partially offset by the operating expenses which did not generate any income during the initial stage of operations expansion when the production capacity had yet to materialize.

Excluding the one-off gain on the acquisition of the Acquired Group generated in 2007 and listing expenses incurred in 2008, during the period under review, profit attributable to equity shareholders for the six months ended 30 June 2008 was RMB194.9 million, representing a 170.8% growth over the corresponding period last year. This surge was mainly due to the substantial increase in profit before taxation, partially offset by the increase in tax expenses. In addition, after the group restructuring for listing completed in June 2007, the Group has had no minority interests, which means that shareholders have been able to enjoy the whole profit earned by the Group. The profit attributable to minority interests amounted to RMB24.2 million for the first six months of 2007.

Working capital

Turnover days 週轉日

Inventories	存貨
Trade receivables	應收貿易賬款
Trade payables	應付貿易賬款
Cash cycle	現金循環

所得稅

所得稅由截至二零零七年六月三十日止六個月的人民幣3,300,000元，增至截至二零零八年六月三十日止六個月的人民幣41,300,000元，增加11.6倍，主要由於除稅前利潤及實際稅率增加所致。自二零零八年起，本公司亦須計算將自二零零八年所產生盈利中分派股息的預扣稅所產生的遞延稅項開支。稅項金額主要按回顧期內中國實體的盈利的5%計算。

剔除於二零零七年收購被收購集團所得免課稅收益人民幣74,800,000元、於二零零八年產生的不可扣稅上市開支人民幣11,600,000元以及遞延稅項開支人民幣10,700,000元後，經調整實際所得稅率由截至二零零七年六月三十日止六個月的3.3%增至二零零八年同期的13.0%，此乃由於中國實體享有的稅務優惠有所變動，令所得稅率由二零零七年上半年介乎零至13.5%增至二零零八年上半年介乎12.5%至25%。

經營利潤、權益股東應佔利潤

剔除於二零零七年收購被收購集團所產生的一次性收益以及於二零零八年產生的上市開支後，於回顧期內，本集團的經營利潤由去年同期的人民幣102,700,000元，增至人民幣237,600,000元，上升131.4%，佔總營業額的34.7%，增長主要是由於毛利大幅增加所致。其中尚有因營運規模擴大初期，在產能尚未開出前，其經營開支尚未產生收益，而將部分增幅抵銷。

剔除於二零零七年收購被收購集團所產生的一次性收益以及於二零零八年產生的上市開支後，於回顧期內，截至二零零八年六月三十日止六個月的權益股東應佔利潤為人民幣194,900,000元，較去年同期增加170.8%。利潤上升主要由於除稅前利潤大幅增加所致，惟部分增幅被稅項開支增加所抵銷。此外，於二零零七年六月為上市完成集團重組後，本集團已無少數股東權益，即股東可分享本集團所賺取全部利潤。二零零七年首六個月，少數股東權益應佔利潤為人民幣24,200,000元。

營運資金

For the first half of
上半年

	2008 二零零八年	2007 二零零七年
Inventories	79	100
Trade receivables	25	45
Trade payables	17	41
Cash cycle	87	103

Inventory turnover day

The inventories of the Group comprised mainly raw materials, namely polysilicon, crucibles and other auxiliary materials. Owing to the expansion in production capacity as well as its good relationship with suppliers, the Group managed to increase its inventory of raw materials. However the severe polysilicon shortage in the solar industry caused the reduction in the inventory turnover day. The Group's optimal inventory level should be around 3 months for polysilicon and 1 month for other auxiliary raw materials.

Trade receivable days

In the first half of 2008, the sales to PRC customers increased greatly with immediate settlement upon goods delivery, therefore it led to the drop in trade receivable day as compared with higher proportion of overseas customers with longer credit periods in the first half of 2007.

Trade payable days

Given the limited worldwide polysilicon supply and increasing polysilicon usage of the Group, it needed to purchase raw material with higher proportion of advance payment to suppliers. As a result the trade payable days was reduced to 17 days.

Liquidity and financial resources

The Group's principal sources of working capital have been the cash flow generated from operating activities, bank borrowings and IPO proceeds. As at 30 June 2008, the Group showed a current ratio of 7.7, being current assets over current liabilities, and a net cash position, both representing a healthy financial position for future development.

The Group was at a net cash position of RMB542.1 million as at 30 June 2008 with cash and cash equivalents of RMB575.0 million and outstanding borrowings of RMB32.9 million, comprising short-term bank loans of RMB30 million and a long-term municipal government loan of RMB2.9 million without asset pledge. Therefore the net borrowings to equity ratio for the Group as at 30 June 2008, expressed as a percentage of net borrowings of RMB-542.1 million and shareholders' equity of RMB1,347.0 million, was increased to -40.2% from -34.6% as at 31 December 2007. The negative sign represents net cash position for both periods.

The Group's net cash outflow from operating activities for the reported period amounting to RMB79.7 million was primarily resulted from the increase in raw material inventories and advance payment for purchase of raw material, in view of the business expansion and the severe polysilicon shortage.

The Group's net cash outflow from investing activities for the reported period amounting to RMB121.2 million was mainly capital expenditure for increasing production capacity.

The Group's net cash outflow from financing activities for the reported period amounting to RMB427.1 million mainly comprised net IPO proceeds of RMB613.4 million, net bank loan repayment of RMB97.0 million and dividend payment of RMB88.3 million.

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。憑藉擴充產能及與供應商的良好關係，本集團能夠將原材料存貨量調高。然而，太陽能產業出現多晶硅嚴重短缺的情況，導致存貨週轉期縮短。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

於二零零八年上半年，於交付貨品時即時付款的中國客戶銷售大幅增加，而二零零七年上半年享有較長信貸期的海外客戶的數目比例較高，故應收貿易賬款週轉日有所縮短。

應付貿易賬款週轉日

由於全球多晶硅供應有限，以及本集團的多晶硅使用量上升，令本集團向供應商預付貨款購買原材料的比例增加，因此，應付貿易賬款週轉日縮短至17日。

流動資金及財務資源

本集團主要營運資金來源一直為經營活動產生的現金流量、銀行借貸及首次公開發售所得款項。於二零零八年六月三十日，本集團的流動比率（流動資產除流動負債）為7.7，且處於現金淨額狀況，反映本集團財政狀況穩健，足以應付未來發展。

本集團於二零零八年六月三十日處於現金淨額狀況人民幣542,100,000元，現金及現金等價物為人民幣575,000,000元，未償還借貸為人民幣32,900,000元，包括短期銀行貸款人民幣30,000,000元以及市政府長期貸款人民幣2,900,000元，並無抵押資產。因此，本集團之淨借貸權益比率（以淨借貸人民幣-542,100,000元與股東權益人民幣1,347,000,000元之百分比表示）由二零零七年十二月三十一日之-34.6%增至二零零八年六月三十日之-40.2%，負號代表兩個期間均處於現金淨額狀況。

於報告期間，本集團經營活動產生的現金淨流出為人民幣79,700,000元，主要由於擴充業務及多晶硅嚴重短缺，令原材料存貨及購買原材料的預付款增加所致。

於報告期間，本集團投資活動產生的現金淨流出為人民幣121,200,000元，主要為用於提升產能的資本開支。

於報告期間，本集團融資活動產生的現金淨流出為人民幣427,100,000元，主要包括首次公開發售所得款項淨額人民幣613,400,000元、償還銀行貸款淨額人民幣97,000,000元以及派發股息人民幣88,300,000元。

Contingent liabilities

At 30 June 2008, there were no material contingent liabilities.

Foreign currency risk

Renminbi is the functional currency of the operations of the Group, and the Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in foreign currencies other than Renminbi, which are primarily US dollars and JPY. The Directors do not expect any significant impact from the exchange rate movement since the Group uses foreign currencies collected from customers to settle the payment in foreign currencies to suppliers. In addition, the Directors ensure that the net exposure is kept to an acceptable level by buying or selling US dollars and JPY at spot rates when necessary to solve short-term imbalances.

Human Resources

As at 30 June 2008, the Group had 790 employees. The remuneration package of the existing employees includes basic salary, discretionary bonus, share-based payment and social security contribution. Employee benefit expenses included in administrative expenses increased to RMB15.3 million as at 30 June 2008 from RMB3.6 million as at 30 June 2007, which represented an increase of 329.0%, resulting from the expansion of workforce and strong and experienced management team to cope with the multiple increase in production scale.

或然負債

於二零零八年六月三十日，本集團並無重大的或然負債。

外幣風險

人民幣是本集團經營業務的功能貨幣，而本集團所承受的外匯風險主要來自以人民幣以外貨幣進行的買賣交易，當中主要來自美元及日圓。由於本集團以從客戶收取的外幣償付予供應商的款額，故董事預期匯率變動不會構成任何重大影響。此外，董事會在有需要的情況下，按即期匯率購入或出售美元及日圓，以處理短期的不均衡情況，藉以確保淨風險維持於可接受的水平。

人力資源

於二零零八年六月三十日，本集團的僱員數目為790名。現有僱員的薪酬包括基本薪金、酌情花紅、以股份支付款項及社保金。由於增加僱員與優質及具經驗管理團隊人數，以應付生產規模倍數擴充，行政開支中的僱員福利開支由二零零七年六月三十日人民幣3,600,000元增至二零零八年六月三十日人民幣15,300,000元，增幅為329.0%。

Monocrystalline Solar Ingot 太陽能單晶硅錠



Future plans and strategies

Future development strategy and prospect

As the oil prices continue to rise, renewable energy has swiftly emerged as a preferred alternative, among which solar energy is the cleanest, safest and the most convenient to use. Due to its infinity nature, solar energy has gradually caught the attention from the governments of various countries and their people. Being the second largest monocrystalline ingots manufacturer in China, the Group will seize such immense opportunity and adopt the following strategies for further development:

Expand production capacity to increase market share

A number of countries are actively promoting the use and development of renewable energy, promulgating related regulations as well as introducing favourable measurements to encourage the development of solar energy industry. Being one of the largest energy-consuming countries, China has tremendous market potential that should not be underestimated. In addition, the Chinese government has strongly promoted the development of renewable energy by promulgating the "Renewable Energy Law of PRC" in January 2006. The government encouraged the use of solar energy as a clean energy by implementing subsidy programmes and incentive schemes. According to a white paper entitled "China's Energy Conditions and Policies" issued by the State Council of China on 26 December 2007, China will actively develop renewable energy facilities aiming at increasing the utilization of renewable energy as a percentage to the overall energy consumption to 10% and 15% in 2010 and 2020 respectively.

Capitalizing on such a good opportunity for development, the Group, in addition to acquiring 96 monocrystalline silicon ingot pullers and 29 wiresaws this year, plans to enhance its capacity in the coming year. The Group will complete the construction of a new production plant that can accommodate 200 ingot pullers and 43 wiresaws in 2009. The installation of ingot pullers is expected to start in the third quarter of 2009 and commence operation gradually with full operation expected from the last quarter of 2009 upon completion of installation. Wiresaws will be delivered in batches to the factory and installation will start during the late-second quarter of 2009. Operation is expected to commence in the third quarter of 2009. By then, the number of monocrystalline silicon ingot pullers and wiresaws will increase to about 400 and 80 respectively in 2009. The annual capacity of ingots and wafers will increase to 4,000 tonnes and 150 million pieces respectively, with the solar energy conversion capability being increased to 400MW per year.

The increase in production capacities will be funded by the listing proceeds and internal resources. Besides, with the appreciation of Renminbi and the decrease in export tax rate, the Group will, upon the completion of the production capacity enhancement, accelerate the development of China's market in future in order to further increase its local market share.

未來計劃及策略

未來發展策略及展望

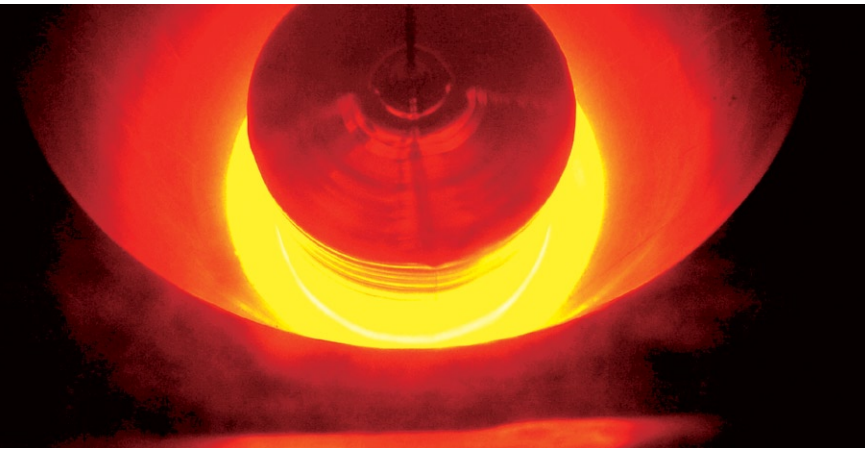
隨著油價的不斷攀升，再生能源迅速崛起，而在眾多再生能源當中，以太陽能最為潔淨、安全及方便使用。憑藉其生生不息，用之不竭的特點，使它逐漸獲得世界各地的政府及人民的重視。作為中國第二大單晶硅錠生產商，本集團必抓緊此龐大的發展商機，並將採取以下策略作進一步發展：

擴張產能 提升市場佔有率

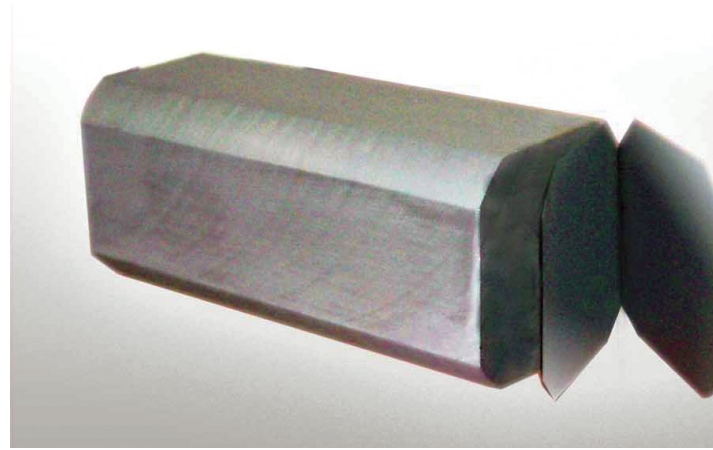
目前多個國家政府正積極推廣使用及發展再生能源，並落實有關法規，推出有利太陽能產業發展的優惠措施。中國作為全球最大能源消耗國之一，其市場潛力不容忽視，加上內地政府亦大力推動再生能源業務，於二零零六年一月發佈的《可再生能源法》，通過資助及推行計劃，提倡使用太陽能為清潔能源之一。中國國務院於二零零七年十二月二十六日發表之《中國的能源狀況與政策》白皮書，亦表明大力發展可再生能源建設，增加其使用可再生能源之比例目標，分別於二零一零年及二零二零年佔整體能源使用率10%及15%。

面對此良好的發展機遇，本集團繼今年購入96台單晶硅錠拉製機及29台線鋸後，計劃在來年繼續提升產能。集團將於二零零九年完成建設可容納200台單晶硅錠拉製機和43台線鋸的新生產廠房，其中單晶硅錠拉製機預計將於二零零九年第三季開始安裝，並逐步投產，預計在二零零九年第四季安裝完畢後開始全面投入生產；線鋸會自二零零九年第二季底開始分批到廠和展開安裝投產，二零零九年第三季全面投產。屆時，二零零九年單晶硅錠拉製機及線鋸將增至約400台和80台，硅錠年產能會上升至4,000噸以及達到硅片年產能約1億5,000萬塊，使集團的太陽能轉化為電力之年產量增至400兆瓦。

提升產能所需資金將以上市所得款項及內部資源撥付。此外，隨著人民幣升值及出口稅率下降，本集團於擴充產能部份後，將在未來加大力度發展中國市場，進一步提高集團在本地的市場佔有率。



Monocrystalline Solar Ingot Pulling 太陽能單晶硅錠長晶過程



Monocrystalline Solar Wafer 太陽能單晶硅片

Enhance the ability of research and development to optimize operation effectiveness

Monocrystalline silicon ingot industry is characterized by its relatively high technology requirements and enhancing the R&D capacities is one of the important strategies for the group to strengthen its market competitiveness. In order to reduce its overall operating costs, the Group will continuously enhance its technical know-how advantage in ingot crystallization and wafer slicing, ensure cost-effectiveness of the manufacturing process by introducing the latest technology widely used in the industry and explored the possibilities of reclaiming the waste silicon powder produced during the wafer manufacturing process for ingots production. Besides, the Group will also proactively increase product varieties, including the research and development in respect of larger and thinner wafers and the application of the advanced magnetic technology of semiconductor in solar crystal pulling in order to maintain its leading position in the market. The 12-inch monocrystalline ingot pullers will be delivered to the factory in the third quarter of 2008, and trial production will start with research and development commencing in the fourth quarter of this year. The 40 ingot pullers with added magnetic field will be delivered to the factory by the end of the third quarter of 2009, and the production will start as soon as installation and fine-tuning are completed. The Directors believe that by continuous research and development, the Group's capacities of ingot crystallization, wafer slicing as well as reclaiming and upgrading of polysilicon will be enhanced. In addition, the Group will continue to cooperate with academic institutions. The research centre jointly established with Dalian University of Technology will be completed in the third quarter of 2009 and possesses world class technology. It will assist the Group in developing new products and technology and nurturing of the R&D technicians so as to optimize operating efficiency.

提升研發能力 優化營運效益

單晶硅錠產業以技術含量高見稱，而為增強本集團的市場競爭力，提升研發技術是重要的發展策略之一。本集團將繼續加強其硅錠結晶及硅片切割之技術竅訣優勢，透過引入行業的最新技術，使生產工序更具成本效益，以及探討硅片製程中所產生的硅粉廢料，是否可回收作生產硅錠之用，從而減低整體營運成本。另外，本集團亦會積極拓闊產品種類，包括進一步研發更薄更大的硅片產能，以先進的半導體磁場技術應用於太陽能拉晶上，以保持集團領先的市場地位。拉制12吋硅棒單晶爐將會於二零零八年第三季到廠，第四季開始試產，並展開研發工作；而40台加裝磁場單晶硅錠拉製機則會於二零零九年第三季底到廠，在安裝調試後便進行生產。董事相信通過持續的研發工作，有助提升本集團於錠材結晶、硅片切割、多晶硅料回收及改良之能力。此外，本集團並將繼續與學術機構合作，其中與大連理工大學合作的研發中心將於二零零九年第三季落成，該實驗室將擁有國際一流的技術水平，有助於本集團新產品、技術的開發及研發技術人員的培育，以優化營運效益。

Stabilize the supply of raw materials by diversification of source

In view of the worldwide shortage of polysilicon raw material, the Group will actively look for new suppliers for raw materials. Apart from strategic investors the Group has entered into long-term supply agreements with a number of suppliers, thereby meeting a part of the production requirement as well as reducing the risks of unstable supply of raw materials and price fluctuation. The Group has already commenced applying a larger proportion of lower grade polysilicon in the production of silicon ingots and wafers and further studied the feasibility of using metallurgical silicon in the production of monocrystalline silicon ingots with the aim of diversifying the source of material supply.

穩定原材料供應 開拓多元化來源

鑑於全球多晶硅原材料供應短缺，本集團將積極尋求新的原材料供應商，除策略性投資夥伴外，本集團與其他幾家供應商簽訂中長期的供料協議，以滿足部分生產產能，並減低原材料供應不穩及價格波動的風險。另外，本集團亦已開始進行在硅錠及硅片生產中採用混合較多比率的較低等級多晶硅廢料，並進而探討在太陽能單晶硅錠生產中採用冶金硅的可行性，以開拓多元化材料來源。

Disclosure of Interests

權益披露

Interests and Short Positions of the Directors and Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Companies

As at 30 June 2008, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

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

於二零零八年六月三十日，董事及本公司最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須登記於本公司存置的登記冊內的權益及淡倉，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held (Note 1) 所持股份數目 (附註1)	Approximate percentage of holding (%) 持股的概約百分比 (%)
Mr. Tan (Note 4) 譚先生(附註4)	Beneficial Interest 實益權益	471,910,500 (L)	27.90%
	Interest in an option 於購股權的權益	31,036,000 (L)	1.84%
	Security interest 擔保權益	17,352,500 (L)	1.03%
Mr. Chong (Note 2) 莊先生(附註2)	Interest of controlled corporation 受控法團權益	98,464,500 (L)	5.83%
	Personal interest 個人權益	1,254,500 (L)	0.07%
	Trustee's interest 受託人權益	34,814,000 (L)	2.06%

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held (Note 1) 所持股份數目 (附註1)	Approximate percentage of holding (%) 持股的概約百分比 (%)
Mr. Hsu You Yan (Note 4) 許祐淵先生(附註4)	Beneficial Interest 實益權益	9,293,500 (L)	0.55%
	Interest in an option 於購股權的權益	19,219,500 (L)	1.14%
	Security interest 擔保權益	5,840,500 (L)	0.35%
Mr. Chiao Ping Hai (Note 4) 焦平海先生(附註4)	Beneficial Interest 實益權益	3,135,500 (L)	0.19%
	Interest in an option 於購股權的權益	31,158,000 (L)	1.84%
	Security interest 擔保權益	11,621,000 (L)	0.69%
Ms. Zhang Liming (Note 3) 張麗明女士(附註3)	Beneficial Interest 實益權益	3,133,500 (L)	0.19%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) Mr. Chong is interested in an aggregate of 99,719,000 shares, of which 1,254,500 shares is directly held by Mr. Chong, 82,617,000 shares is held by Prosperity Electric Corporation ("PEC") and 15,847,500 shares is held by PLC. PLC is held as to 20% by PEC, as to 45% by Leigh Company Limited and as to 30% by Mr. Sam Wai Keung, a director of Jinzhou Huachang Silicon Materials Co., Ltd. and 5% by an independent third party. Both PEC and Leigh Company Limited are wholly-owned by Mr. Chong.

34,814,000 Shares were held by Mr. Chong in trust for, among others, certain employees and consultants of Solar Technology Investment (Cayman) Corp. and its subsidiaries (the "Acquired Group"). Mr. Chong was entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant shares in trust for these employees and the 2 consultants (if any) to the extent the relevant shares remain subject to a lock-up period.
- (3) Ms. Zhang Liming's 3,133,500 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, certain employees and consultants of the Acquired Group (if any) to the extent the relevant shares remain subject to a lock-up period.
- (4) Mr. Tan Wen Hua, Mr. Hsu You Yuan and Mr. Chiao Ping Hai are entitled to buy back the shares of the relevant senior management, employees and consultants in the event that any of them cease to be employed or engaged within 4 years after the Listing Date. 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) 莊先生於合共99,719,000股股份中擁有權益，其中莊先生直接持有1,254,500股股份、Prosperity Electric Corporation (「PEC」)持有82,617,000股股份及佑昌燈光持有15,847,500股股份。佑昌燈光分別由PEC、Leigh Company Limited、錦州華昌硅材料有限公司董事沈偉強先生及一名獨立第三方持有20%、45%、30%及5%。PEC及Leigh Company Limited由莊先生全資擁有。

34,814,000股股份由莊先生以信託形式代(其中包括)Solar Technology Investment (Cayman) Corp.及其附屬公司(「被收購集團」)若干僱員及顧問持有。莊先生受託以信託形式代該等僱員及2名顧問(如有)於相關股份禁售期屆滿前就有關股份行使投票權及持有其股息及其他分派。
- (3) 張麗明女士持有以莊先生的名義登記的3,133,500股股份。莊先生作為受託人受託以信託形式代(其中包括)被收購集團若干僱員及顧問(如有)於相關股份禁售期屆滿前就有關股份行使投票權及持有其股息及其他分派。
- (4) 倘若任何該等相關高級管理人員、僱員及顧問自上市後4年內不再獲聘或獲委託，譚文華先生、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，以確保履行支付股份收購價的責任以及遵從彼等受其限制的相關規管規定(如有)。

Interests and Short Positions of the Substantial Shareholders in Shares, Underlying Shares and Debentures

As at 30 June 2008, so far as is known to any Directors of the Company, the following persons have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

主要股東於股份、相關股份及債券的權益及淡倉

於二零零八年六月三十日，據本公司董事所知，按本公司根據證券及期貨條例第336條所存置的登記冊所記錄，以下人士於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉：

Name 姓名／名稱	Capacity 身份	Number of shares held 所持股份數目	Percentage of holding 持股百分比 (%)
Wafer Works Investment Corp. ("WWIC")	Beneficial owner 實益擁有人	358,364,000 (L) (Note 1) (附註1)	21.2%
Wafer Works Corp. ("WWX") (Note 2) 合晶科技股份有限公司 (「合晶科技」)(附註2)	Interest of a controlled corporation 受控法團權益	358,364,000 (L)	21.2%
Space Energy Corporation 宇宙能源株式會社	Beneficial owner 實益擁有人	144,978,500 (L)	8.57%
Toshinao Nimura (Note 3) 仁村利尚(附註3)	Interest of a controlled corporation 受控法團權益	144,978,500 (L)	8.57%
Jean Salata	Interest of a controlled corporation 受控法團權益	114,614,000 (L)	6.78%
Baring Private Equity Asia GP IV Limited	Interest of a controlled corporation 受控法團權益	114,614,000 (L)	6.78%
Baring Private Equity Asia GP IV, L.P.	Interest of a controlled corporation 受控法團權益	114,614,000 (L)	6.78%
The Baring Asia Private Equity Fund IV, L.P.	Interest of a controlled corporation 受控法團權益	114,614,000 (L)	6.78%
Baring Private Equity Asia IV Holding (6) Limited	Beneficial interest 實益權益	114,614,000 (L)	6.78%

Notes:

- The letter "L" denotes the person's long position in such securities.
- WWIC is wholly-owned by WWX. By virtue of the SFO, WWX is deemed to be interested in the Shares held by WWIC.
- Toshinao Nimura was interested in approximately 34.22% of the issued share capital of Space Energy Corporation as at the Latest Practicable Date.

附註：

- 字母「L」指該人士於該等證券的好倉。
- 合晶科技全資擁有WWIC。根據證券及期貨條例，合晶科技被視為於WWIC持有的股份中擁有權益。
- 於最後實際可行日期，仁村利尚擁有宇宙能源株式會社已發行股本約34.22%。

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 2008, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. 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 2007.

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 required standard governing share transactions by Directors. Having made specific enquiries of all the Directors, the Company confirmed that all of them have complied with the required standards set out in the Model Code regarding directors' share transactions for the six months ended 30 June 2008.

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 2008.

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 has reviewed 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 2008.

Appreciations

The Board would like to take this opportunity to express its appreciation to each of the shareholders, suppliers, customers and other partners for their support for 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

CHIAO Ping Hai

Chairman

Hong Kong, 29 August 2008

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。於截至二零零八年六月三十日止六個月，本公司一直遵守上市規則附錄14所載之企業管治常規守則條文。有關本公司企業管治的詳情，可參見本公司截至二零零七年十二月三十一日止年度年報內所載的企業管治報告。

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所載之標準守則作為董事進行股份交易之守則。本公司在向所有董事作出特定查詢後確認，於截至二零零八年六月三十日止六個月，所有董事於其股份交易時已遵守標準守則所載之標準規定。

購買、出售及贖回本公司之上市證券

於截至二零零八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(其成員包括四位獨立非執行董事及一位非執行董事)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，包括審閱截至二零零八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股東、供應商、客戶及其他合作夥伴對本集團長期以來的支持，並向本集團全體員工於報告期內為集團付出的努力和貢獻，致以衷心的感謝。

承董事會命

陽光能源控股有限公司

主席

焦平海

香港，二零零八年八月二十九日

Independent Review Report

獨立審閱報告



**Independent review report to the board of directors of
Solargiga Energy Holdings Limited**
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 23 to 42 which comprises the consolidated balance sheet of Solargiga Energy Holdings Limited as of 30 June 2008, the related consolidated income statement, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2008 is not prepared, in all material respects, in accordance with HKAS 34.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 August 2008

獨立審閱報告

致陽光能源控股有限公司董事會

(於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第23至42頁陽光能源控股有限公司的中期財務報告，此中期財務報告包括於二零零八年六月三十日的綜合資產負債表、截至該日止六個月期間的綜合損益表、綜合權益變動表和簡明綜合現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》，上市公司必須符合上市規則中的相關規定和香港會計師公會頒布的《香港會計準則》(「香港會計準則」)第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照雙方協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

審閱範圍

我們已根據香港會計師公會頒布的《香港審閱委聘準則》第2410號「獨立核數師對中期財務資料的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問，並作出分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此，我們不會發表任何審核意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於二零零八年六月三十日的中期財務報告沒有在所有重大方面按照《香港會計準則》第34號的規定編製。

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈8樓

二零零八年八月二十九日

Unaudited Consolidated Income Statement

未經審核綜合損益表

For the six months ended 30 June 2008
截至二零零八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	
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note		
	附註		
Turnover	營業額	685,480	388,976
Cost of sales	銷售成本	(408,772)	(276,666)
Gross profit	毛利	276,708	112,310
Other revenue	其他收入	3,512	77,417
Other net loss	其他虧損淨額	(5,685)	(2,066)
Selling and distribution expenses	銷售及分銷開支	(3,127)	(1,540)
Administrative expenses	行政開支	(45,442)	(8,592)
Profit from operations	經營利潤	225,966	177,529
Finance costs	融資成本	(1,326)	(3,252)
Profit before taxation	除稅前利潤	224,640	174,277
Income tax	所得稅	(41,356)	(3,269)
Profit for the period	期內利潤	183,284	171,008
Attributable to:	以下人士應佔利潤：		
Equity shareholders of the Company	本公司權益股東	183,284	146,760
Minority interests	少數股東權益	-	24,248
Profit for the period	期內利潤	183,284	171,008
Earnings per share (RMB cents)	每股盈利 (人民幣分)		
- Basic	- 基本	11.71	10.21

The accompanying notes form part of the unaudited interim financial report.
隨後所載附註構成未經審核中期財務報告其中部分。

Unaudited Consolidated Balance Sheet

未經審核綜合資產負債表

At 30 June 2008
於二零零八年六月三十日
(Expressed in Renminbi) (以人民幣列值)

		Note 附註	30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	333,517	175,379
Lease prepayments	租賃預付款項		48,380	48,486
Prepayments for acquisition of property, plant and equipment	購置物業、廠房及設備的 預付款項		9,238	53,092
Deferred tax assets	遞延稅項資產		-	922
			391,135	277,879
Current assets	流動資產			
Inventories	存貨	14	215,220	137,832
Trade and other receivables	應收貿易賬款及其他應收款項	11	355,832	187,066
Pledged deposits	已抵押存款	12	-	120
Cash and cash equivalents	現金及現金等價物		574,980	348,978
			1,146,032	673,996
Current liabilities	流動負債			
Short-term bank loans	短期銀行貸款		30,000	127,000
Trade and other payables	應付貿易賬款及其他應付款項	13	107,454	144,068
Current tax payable	即期應付稅項		11,954	18,453
			149,408	289,521
Net current assets	流動資產淨值		996,624	384,475
Total assets less current liabilities	資產總值減流動負債		1,387,759	662,354
Non-current liabilities	非流動負債			
Municipal government loan	市政府貸款		2,947	2,890
Deferred tax liabilities	遞延稅項負債		10,737	-
Deferred income	遞延收入		27,095	26,747
			40,779	29,637
Net assets	資產淨值		1,346,980	632,717
Capital and reserves	資本及儲備			
Paid-in/issued capital	繳足/已發行資本	15	152,189	279
Reserves	儲備		1,194,791	632,438
Total equity	權益總額		1,346,980	632,717

The accompanying notes form part of the unaudited interim financial report.
隨後所載附註構成未經審核中期財務報告其中部分。

Unaudited Consolidated Statement of Changes in Equity

未經審核綜合權益變動表

(Expressed in Renminbi) (以人民幣列值)

		Attributable to equity shareholders of the Company									
		本公司權益股東應佔權益									
		Paid-in/ issued capital 繳入/ 已發行資本	Share premium 股份溢價	General reserve fund 一般 儲備金	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Other reserve 其他儲備	Retained earnings 保留盈利	Subtotal 小計	Minority interests 少數 股東權益	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2008	於二零零八年一月一日	279	367,562	55,171	10,054	(357)	(66,710)	266,718	632,717	-	632,717
Capitalisation issue (note 15(b)(ii))	資本化發行(附註15(b)(ii))	129,086	(129,086)	-	-	-	-	-	-	-	-
Shares issued under the global offering (note 15(b)(iii))	根據全球發售發行股份(附註15(b)(iii))	22,824	643,637	-	-	-	-	-	666,461	-	666,461
Share issuing costs (note 15(b)(iii))	股份發行成本(附註15(b)(iii))	-	(53,001)	-	-	-	-	-	(53,001)	-	(53,001)
Profit for the period	期內利潤	-	-	-	-	-	-	183,284	183,284	-	183,284
Dividends (note 8(b))	股息(附註8(b))	-	-	-	-	-	-	(88,258)	(88,258)	-	(88,258)
Share-based payment	以股份支付款項	-	-	-	8,513	-	-	-	8,513	-	8,513
Exchange difference on translation of financial statement of subsidiaries	換算附屬公司財務報表產生的匯兌差額	-	-	-	-	(2,736)	-	-	(2,736)	-	(2,736)
At 30 June 2008	於二零零八年六月三十日	152,189	829,112	55,171	18,567	(3,093)	(66,710)	361,744	1,346,980	-	1,346,980

		Attributable to equity shareholders of the Company									
		本公司權益股東應佔權益									
		Paid-in/ issued capital 繳入/ 已發行資本	Share premium 股份溢價	General reserve fund 一般 儲備金	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Other reserve 其他儲備	Retained earnings 保留盈利	Subtotal 小計	Minority interests 少數 股東權益	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2007 (note 15(b)(iv))	於二零零七年一月一日 (附註15(b)(iv))	74,858	-	16,001	-	-	-	97,947	188,806	66,000	254,806
Profit for the period	期內利潤	-	-	-	-	-	-	146,760	146,760	24,248	171,008
Dividends (note 8(b))	股息(附註8(b))	-	-	-	-	-	-	(84,300)	(84,300)	(29,358)	(113,658)
Arising from the Reorganisation (note 15(b)(iv))	因重組而產生的權益 (附註15(b)(iv))	(74,858)	-	-	-	-	76	-	(74,782)	-	(74,782)
Capitalisation of shareholder's loan (note 15(b)(iv))	股東貸款資本化 (附註15(b)(iv))	77,160	-	-	-	-	-	-	77,160	-	77,160
Arising from the Reorganisation (note 15(b)(iv))	因重組而產生的權益 (附註15(b)(iv))	(77,063)	143,849	-	-	-	(66,786)	-	-	-	-
Acquisition of minority interests (note 15(b)(iv))	收購少數股東權益 (附註15(b)(iv))	33	60,857	-	-	-	-	-	60,890	(60,890)	-
Issue of new shares (note 15(b)(iv))	發行新股份(附註15(b)(iv))	149	162,856	-	-	-	-	-	163,005	-	163,005
At 30 June 2007	於二零零七年六月三十日	279	367,562	16,001	-	-	(66,710)	160,407	477,539	-	477,539

The accompanying notes form part of the unaudited interim financial report.
隨後所載附註構成未經審核中期財務報告其中部分。

Unaudited Condensed Consolidated Cash Flow Statement

未經審核簡明綜合現金流量表

(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	
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash (used in)/generated from operations	經營活動(所用)／所得現金	(43,461)	152,070
Tax paid	已付稅項	(36,196)	(2,812)
Net cash (used in)/generated from operating activities	經營活動(所用)／所得現金淨額	(79,657)	149,258
Net cash used in investing activities	投資活動所用現金淨額	(121,240)	(197,780)
Net cash generated from financing activities	融資活動所得現金淨額	427,053	155,505
Net increase in cash and cash equivalents	現金及現金等價物之增加淨額	226,156	106,983
Effect of exchange rate changes	匯率變動的影響	(154)	-
Cash and cash equivalents at 1 January	於一月一日現金及現金等價物	348,978	46,704
Cash and cash equivalents at 30 June	於六月三十日現金及現金等價物	574,980	153,687

The accompanying notes form part of the unaudited interim financial report.
隨後所載附註構成未經審核中期財務報告之一部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

1. General information and group reorganisation

(a) The Company

Solargiga Energy Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 7 March 2007 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Room 4001-06 Office Tower, Convention Plaza, No. 1 Harbour Road, Wan Chai, Hong Kong. The Company was incorporated under the name of Solar Giga Holdings Ltd. By a resolution passed on 26 April 2007, the name of the Company was changed to Solargiga Energy Holdings Limited.

(b) Reorganisation

The Company and its subsidiaries are referred to as the “Group” in the interim financial report. The Group underwent a reorganisation (the “Reorganisation”) to rationalise the Group’s structure in preparation for the public listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”). On 7 May 2007, the Company became the holding company of the subsidiaries. Details of the Reorganisation are set out in note 27 to the 2007 Annual Report. The shares of the Company were listed on the Stock Exchange on 31 March 2008.

2. Basis of preparation

Except for Solar Technology Investment (Cayman) Corp. (“STIC”) and its subsidiaries (hereinafter collectively referred to as the “Acquired Group”), which were acquired during the year ended 31 December 2007, other companies that took part in the Reorganisation and are included in the interim financial report were controlled by the same ultimate equity shareholder (referred to as “the controlling equity shareholder”) before and after the Reorganisation. The control is not transitory and, consequently, there was a continuation of the risks and benefits to the controlling equity shareholder and, therefore, the Reorganisation is considered to be a business combination of entities under common control and Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) has been applied. The interim financial report has been prepared using the merger basis of accounting as if the Group had always been in existence, except for the acquisition of the Acquired Group. The net assets of the combining companies are combined using the existing book values from the controlling equity shareholder’s perspective.

1. 一般資料及集團重組

(a) 本公司

陽光能源控股有限公司(「本公司」)根據開曼群島第22章公司法(一九六一年第三號法律，經綜合及修訂)，於二零零七年三月七日在開曼群島註冊成立為一家受豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，而主要經營地點為香港灣仔港灣道1號會展廣場辦公室大樓4001-06室。本公司以Solar Giga Holdings Ltd.的名義註冊成立，後於二零零七年四月二十六日通過決議案，改名為Solargiga Energy Holdings Limited (陽光能源控股有限公司)。

(b) 重組

中期財務報告內，本公司及其附屬公司統稱為「本集團」。為籌備本公司股份於香港聯合交易所有限公司(「聯交所」)主板公開上市，本集團就精簡集團架構而進行了重組(「重組」)。於二零零七年五月七日，本公司成為各附屬公司的控股公司。重組的詳情載於二零零七年年報附註27。本公司股份已於二零零八年三月三十一日在聯交所正式上市。

2. 呈列基準

除於截至二零零七年十二月三十一日止年度收購的Solar Technology Investment (Cayman) Corp.(「STIC」)及其附屬公司(以下統稱「被收購集團」)外，重組所涉及並包括於中期財務報告內的其他公司於重組前後均由相同的最終權益股東(稱為「控股權益股東」)控制。此控制權並非過渡性質，而控股權益股東亦持續承受相關風險及利益，因此，重組被視為受共同控制之實體之業務合併，並已應用由香港會計師公會(「香港會計師公會」)頒布的會計指引第5號「共同控制合併之合併會計法」。除被收購集團的收購事項外，中期財務報告以合併會計基礎編製，猶如本集團一直存在。合併公司之資產淨值以控股權益股東角度而言之現時賬面值合併。

2. Basis of preparation (Continued)

The consolidated income statement, consolidated statement of changes in equity and condensed consolidated cash flow statement of the Group include the results of operations of the Company and its subsidiaries for the period ended 30 June 2007 and 2008 or since their respective dates of incorporation or since the date which control was obtained, whichever is a shorter period, as if the current group structure had been in existence throughout the two periods presented. The consolidated balance sheet of the Group as at 31 December 2007 and 30 June 2008 has been prepared to present the combined assets and liabilities of the Group as at those dates.

The Group acquired the Acquired Group on 26 June 2007. The purchase method of accounting has been used to account for this acquisition.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the HKICPA and has been prepared in accordance with the same accounting policies as adopted in the 2007 Annual Report.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2007 Annual Report. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial report prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes HKASs and Interpretations).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with the Hong Kong Standards on Review Engagements 2410, "Review of Interim Financial Report Performed by the Independent Auditor of the Entity", issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 22. In addition, this interim financial report has been reviewed by the Company's Audit Committee.

2. 呈列基準(續)

本集團的綜合損益表、綜合權益變動表及簡明綜合現金流量表乃包括本公司及其附屬公司截至二零零七年及二零零八年六月三十日止期間或自其各自註冊成立日期或取得控制權日期以來(以較短的期間為準)的經營業績，猶如現有集團架構於所呈報兩段期間一直存在。編製本集團於二零零七年十二月三十一日及二零零八年六月三十日的綜合資產負債表，乃為呈列於該等日期本集團的合併資產及負債。

本集團於二零零七年六月二十六日收購被收購集團。此收購已採納會計購買方法入賬。

本中期財務報告已根據聯交所證券上市規則(「上市規則」)適用的披露規定編製，包括遵守香港會計師公會頒布的香港會計準則(「香港會計準則」)第34號「中期財務報告」，並已根據於二零零七年年報中採納的相同會計政策編製。

編製符合香港會計準則第34號的中期財務報告需要管理層作出判斷、估計及假設，足以影響政策應用及按截至報告日期止年度基準呈報的資產與負債、收入與支出金額。實際結果可能有別於該等估計。

本中期財務報告載有簡明綜合財務報表及選定說明附註。附註闡釋若干事件及交易，該等事件及交易對於了解自編製二零零七年年報以來，本集團在財務狀況及業績表現方面的轉變屬重要。簡明綜合中期財務報表及相關附註並不包括根據香港財務報告準則(「香港財務報告準則」，包括香港會計準則及詮釋)編製完整財務報告所需全部資料。

中期財務報告未經審核，惟已由畢馬威會計師事務所根據香港會計師公會頒布的香港審閱委聘準則第2410號《實體的獨立核數師審閱中期財務報告》審閱。畢馬威會計師事務所致董事會的獨立審閱報告載於第22頁。此外，本中期財務報告已由本公司審核委員會審閱。

2. Basis of preparation (Continued)

The financial information relating to the financial year ended 31 December 2007 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial report for that financial year but is derived from that financial report. The statutory financial report for the year ended 31 December 2007 is available from the Company's registered office. The auditors have expressed an unqualified opinion on that financial report in their report dated 24 April 2008.

3. Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's operations are regarded as a single business segment, being an entity engaged in the trading of, manufacturing of and provision of processing services for polysilicon and solar silicon monocrystalline ingots/wafers. In addition, the Group's turnover and operating profit are almost entirely derived from its operations in the People's Republic of China ("PRC"). Accordingly, no analysis by geographical segment has been presented.

4. Other revenue

2. 呈列基準(續)

中期財務報告所載有關截至二零零七年十二月三十一日止財政年度的財務資料屬於已申報資料，並不構成本公司該財政年度的法定財務報告，惟該等財務資料均源自有關財務報告。截至二零零七年十二月三十一日止年度的法定財務報告可於本公司註冊辦事處索取。核數師已在其二零零八年四月二十四日的報告中表示，對該等財務報告並無保留意見。

3. 分部報告

分部是指本集團可明顯區分的組成部分，其為提供產品或服務(業務分部)，或在特定經濟環境中提供產品或服務(地區分部)，各分部須承擔不同的風險及回報。

本集團的業務被視作單一業務分部，即從事多晶硅及太陽能單晶硅錠／硅片的貿易、製造及加工服務的實體。此外，本集團的營業額及經營利潤幾乎完全來自其於中華人民共和國(「中國」)的業務，故此，並無呈列地區分部的分析。

4. 其他收入

Six months ended 30 June 截至六月三十日止六個月

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Gain on acquisition of subsidiaries	收購附屬公司之收益	–	74,771
Government grants	政府補貼	203	1,559
Interest income from bank deposits	銀行存款利息收入	1,942	947
Others	其他	1,367	140
		3,512	77,417

5. Other net loss

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Net foreign exchange loss	外匯虧損淨額	(5,379)	(2,066)
Gain on disposals of property, plant and equipment	出售物業、廠房及設備的收益	34	-
Others	其他	(340)	-
		(5,685)	(2,066)

5. 其他虧損淨額

6. Profit before taxation

Profit before taxation is arrived at after charging:

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank loans and other borrowings wholly repayable within five years	須於5年內全數償清的銀行貸款及其他借貸利息	4,239	3,148
Interest on municipal government loan	市政府貸款的利息	105	104
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	4,344	3,252
Less: Interest expense capitalised into construction in progress	減：在建工程資本化利息開支	(3,018)	-
		1,326	3,252

6. 除稅前利潤

除稅前利潤已扣除：

6. Profit before taxation (Continued)

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
(b) Other items:	(b) 其他項目：		
Amortisation of lease prepayments	租賃預付款項攤銷	564	80
Depreciation	折舊	8,474	5,616

6. 除稅前利潤(續)

7. Income tax

Income tax in the consolidated income statement represents:

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Current tax – the PRC	即期稅項 – 中國		
Provision for the period	期內撥備	29,697	3,156
Under-provision in respect of prior periods	過往期間撥備不足	–	54
		29,697	3,210
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額的出現及撥回	11,659	59
		41,356	3,269

7. 所得稅

綜合損益表內所得稅代表：

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax during the current and prior periods.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

由於本集團於本期間及過往期間並無任何應繳納香港利得稅的利潤，故並無作出香港利得稅撥備。

根據開曼群島及英屬處女群島規則及規例，本集團毋須繳納任何開曼群島及英屬處女群島所得稅。

7. Income tax (Continued)

Pursuant to the income tax rules and regulations of the People's Republic of China ("PRC"), the subsidiaries in the PRC are eligible for a 100% relief from PRC Enterprise Income Tax for two years from the first year they record assessable profits and, thereafter, they are subject to PRC Enterprise Income Tax at 50% of the applicable income tax rate for the following three years.

The first year that Jinzhou Xinri Silicon Materials Co., Ltd. ("Xinri") recorded assessable profits was 2001 and, therefore, Xinri was subject to a 50% tax exemption starting from 2003. As Xinri is engaged in an advanced technology business in the PRC, it has been granted an extension of the 50% tax exemption for a further three years. Accordingly, Xinri was subjected to a preferential tax rate of 13.5% for the year ended 31 December 2007.

The first year that Jinzhou Huachang Silicon Materials Co., Ltd. ("Huachang") and Jinzhou Huari Silicon Materials Co., Ltd. ("Huari") recorded assessable profits was 2003 and 2005, respectively. Accordingly, Huachang and Huari were subjected to a preferential tax rate of 13.5% for the year ended 31 December 2007.

The first year that Jinzhou Yangguang Energy Co., Ltd. ("Yangguang") recorded assessable profits was 2006. It was fully exempted from PRC Enterprise Income Tax for the year ended 31 December 2007.

Jinzhou Youhua New Energy Co., Ltd. ("Youhua") and Shanghai Jingji Electron Material Co., Ltd. ("Jingji") were subjected to preferential tax rates of 13.5% and 27% respectively for the year ended 31 December 2007.

On 1 January 2008, the Corporate Income Tax Law of the PRC ("new tax law") became effective. The corporate income tax rate has been adjusted to a standard rate of 25%. For Foreign Investment Enterprises ("FIEs") which have not fully utilised their five-year tax holiday (i.e. two-year exemption and subsequent three-year 50% reduction of the applicable tax rate) will be allowed to continue to receive the benefits of the tax holiday during the five-year grandfathering period. For those FIEs which have not yet begun their five-year tax holiday period, the tax holiday period will be deemed to have commenced from the effective date of the new tax law.

7. 所得稅(續)

根據中華人民共和國(「中國」)所得稅規則及規例，中國附屬公司自錄得應課稅利潤首年起計兩年，可獲全數豁免繳納中國企業所得稅，其後三年，中國企業所得稅按適用稅率減免一半。

錦州新日硅材料有限公司(「錦州新日」)於二零零一年首度錄得應課稅利潤，因此，錦州新日自二零零三年起獲豁免繳納50%稅項。由於錦州新日從事中國高新技術業務，故額外獲三年豁免繳納50%稅項。故此，截至二零零七年十二月三十一日止年度，錦州新日按優惠稅率13.5%納稅。

錦州華昌硅材料有限公司(「錦州華昌」)及錦州華日硅材料有限公司(「錦州華日」)分別於二零零三年及二零零五年首度錄得應課稅利潤。因此，截至二零零七年十二月三十一日止年度，錦州華昌及錦州華日均按優惠稅率13.5%納稅。

錦州陽光能源有限公司(「錦州陽光」)於二零零六年首度錄得應課稅利潤。截至二零零七年十二月三十一日止年度，錦州陽光獲全數豁免繳納中國企業所得稅。

截至二零零七年十二月三十一日止年度，錦州佑華新能源有限公司(「錦州佑華」)及上海晶技電子材料有限公司(「上海晶技」)須分別按優惠稅率13.5%及27%納稅。

於二零零八年一月一日，中國企業所得稅法(「新稅法」)生效。企業所得稅率調整至標準稅率25%。對尚未全面享有其五年稅務優惠期(即第一年和第二年免徵企業所得稅，第三年至第五年減半徵收企業所得稅)的外商投資企業(「外商投資企業」)而言，彼等獲准於五年過渡期內繼續享有稅務優惠待遇。對尚未開始其五年稅務優惠期的外商投資企業而言，其稅務優惠期將被視為自新稅法生效日期起開始。

7. Income tax (Continued)

Further under the new tax law, from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, are subject to withholding tax at the rate of 5% or 10% on various types of passive income such as dividends derived from sources in the PRC. Distributions of pre-2008 earnings are exempted from the above-mentioned withholding tax.

Based on this new tax law, the provision for PRC Enterprise Income Tax for the PRC subsidiaries of the Group for the six months ended 30 June 2008 has been calculated using the following rates:

Huachang	錦州華昌	25%
Huari	錦州華日	12.5%
Jingji	上海晶技	25%
Jinzhou Rixin Silicon Material Co., Ltd.	錦州日鑫硅材料有限公司	25%
Xinri	錦州新日	25%
Yangguang	錦州陽光	12.5%
Youhua	錦州佑華	25%

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 2008 (six months ended 30 June 2007: nil).

(b) Dividend attributable to the previous financial year, approved and paid during the period

Final dividend in respect of the previous financial year, 於期內批准及支付以往財政年度 approved and paid during the period, of 終期股息，每股人民幣5.2分 (5.8港仙) RMB5.2 cents (HK\$5.8 cents) per share

Final dividend in respect of the previous financial year, 本公司若干附屬公司於期內 approved and paid during the period by 批准及支付以往財政年度 certain subsidiaries of the Company (note) 終期股息(附註)

7. 所得稅(續)

根據新稅法，自二零零八年一月一日起，未在中國擁有設立機構或營業地點或擁有設立機構或營業地點惟有關收入與中國的設立機構或營業地點並無存在有效關連的非本土企業，須就各種被動收入(如來自中國來源所產生的股息)按5%或10%的稅率繳納預扣稅。二零零八年前的盈利分派獲豁免繳納上述預扣稅。

按照此新稅法，截至二零零八年六月三十日止六個月本集團中國附屬公司的中國企業所得稅撥備乃按以下比率計算：

8. 股息

(a) 期內應佔股息

董事不建議派發截至二零零八年六月三十日止六個月的股息(截至二零零七年六月三十日止六個月：零)。

(b) 於期內批准及支付以往財政年度應佔股息

Six months ended 30 June 截至六月三十日止六個月

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, 於期內批准及支付以往財政年度 approved and paid during the period, of 終期股息，每股人民幣5.2分 (5.8港仙) RMB5.2 cents (HK\$5.8 cents) per share	88,258	-
Final dividend in respect of the previous financial year, 本公司若干附屬公司於期內 approved and paid during the period by 批准及支付以往財政年度 certain subsidiaries of the Company (note) 終期股息(附註)	-	113,658

Note: Pursuant to a resolution passed at a meeting of the board of directors on 27 February 2007, dividends of RMB113,658,000 were declared by certain subsidiaries of the Company to their then shareholders.

附註：根據二零零七年二月二十七日舉行董事會會議通過的決議案，本公司若干附屬公司已向彼等當時的股東宣派股息人民幣113,658,000元。

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to the ordinary equity shareholders of the Company of RMB183,284,000 (six months ended 30 June 2007: RMB146,760,000) and the weighted average of 1,564,667,052 (six months ended 30 June 2007: 1,437,166,500) ordinary shares of the Company in issue during the period as calculated as set out in note 9(b). The weighted average number of shares for the current and prior period has been adjusted for the capitalisation issue as if the capitalisation issue had been in existence throughout 2007 and the six months ended 30 June 2008. For details on the capitalisation issue, please refer to note 15(b)(ii).

(b) Weighted average number of ordinary shares

		2008 二零零八年	2007 二零零七年
Issued ordinary shares at 1 January (note 15(b))	於一月一日已發行普通股 (附註15(b))	2,874,333	2,874,333
Effect of capitalisation issue (note 15(b))	資本化發行的影響(附註15(b))	1,434,292,167	1,434,292,167
Effect of shares issued under the global offering (note 15(b))	根據全球發售發行股份的影響 (附註15(b))	127,500,552	-
Weighted average number of ordinary shares	普通股加權平均股數	1,564,667,052	1,437,166,500

(c) Diluted earnings per share

There were no dilutive potential ordinary shares in issue during the six months ended 30 June 2007 and 2008.

10. Property, plant and equipment

During the six months ended 30 June 2008, the Group acquired items of plant and machinery with a cost of RMB167,006,000 (six months ended 30 June 2007: RMB18,980,000). Items of plant and machinery with a net book value of RMB394,000 were disposed of during the six months ended 30 June 2008 (six months ended 30 June 2007: nil).

9. 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司普通股權益股東應佔利潤人民幣183,284,000元(截至二零零七年六月三十日止六個月: 人民幣146,760,000元)以及按附註9(b)所載方式計算期內的本公司已發行普通股加權平均數1,564,667,052股(截至二零零七年六月三十日止六個月: 1,437,166,500股)計算。於本期間及過往期間的加權平均股份數目已就資本化發行作出調整, 猶如資本化發行於二零零七年全年及截至二零零八年六月三十日止六個月一直存在。資本化發行的詳情載於附註15(b)(ii)。

(b) 普通股加權平均股數

Number of ordinary shares 普通股數目

	2008 二零零八年	2007 二零零七年
Issued ordinary shares at 1 January (note 15(b))	2,874,333	2,874,333
Effect of capitalisation issue (note 15(b))	1,434,292,167	1,434,292,167
Effect of shares issued under the global offering (note 15(b))	127,500,552	-
Weighted average number of ordinary shares	1,564,667,052	1,437,166,500

(c) 每股攤薄盈利

於截至二零零七年及二零零八年六月三十日止六個月內, 並無潛在攤薄的已發行普通股。

10. 物業、廠房及設備

截至二零零八年六月三十日止六個月內, 本集團以成本人民幣167,006,000元(截至二零零七年六月三十日止六個月: 人民幣18,980,000元)收購廠房及機器。於截至二零零八年六月三十日止六個月內已出售賬面淨值人民幣394,000元的廠房及機器(截至二零零七年六月三十日止六個月: 零)。

11. Trade and other receivables

11. 應收貿易賬款及其他應收款項

		At 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	At 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	114,386	77,118
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金	241,446	109,233
Amount due from a related party	應收關連方款項	-	715
		355,832	187,066

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

所有應收貿易賬款及其他應收款項預計將於一年內收回。

- (a) The ageing analysis of trade receivables as of the balance sheet date is as follows:

- (a) 於結算日，應收貿易賬款之賬齡分析如下：

		At 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	At 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Within 1 month	1個月內	53,605	41,861
1 – 3 months	1至3個月	38,254	18,977
3 – 6 months	3至6個月	15,861	13,753
6 – 12 months	6至12個月	5,730	826
1 – 2 years	1至2年	936	1,701
		114,386	77,118

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

本集團一般給予客戶30至90日的信貸期限。

- (b) Included in trade receivables are aggregate amounts due from related parties of RMB45,833,000 (31 December 2007: RMB32,991,000).
- (c) Included in other receivables, prepayments and deposits are prepayments for the purchase of raw materials from related parties of RMB1,823,000 (31 December 2007: RMB351,000).

- (b) 應收貿易賬款包括應收關連方的款項總額人民幣45,833,000元(二零零七年十二月三十一日：人民幣32,991,000元)。

- (c) 其他應收款項、預付款項及按金包括向關連方購買原材料所支付的預付款項人民幣1,823,000元(二零零七年十二月三十一日：人民幣351,000元)。

12. Cash and cash equivalents

		At 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	At 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Cash at bank and in hand	銀行存款及現金	574,980	348,978

Cash and cash equivalents of RMB537,014,000 as at 30 June 2008 (31 December 2007: RMB313,208,000) are 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.

12. 現金及現金等價物

於二零零八年六月三十日，現金及現金等價物人民幣537,014,000元(二零零七年十二月三十一日：人民幣313,208,000元)以人民幣列值。人民幣為不可自由兌換貨幣，且在國內匯出資金須受中國政府的外匯管制規限。

13. Trade and other payables

		At 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	At 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Trade payables	應付貿易賬款	39,780	38,367
Other payables and accrued expenses	其他應付賬款及應計開支	67,674	105,701
		107,454	144,068

All of the trade and other payables are expected to be settled within one year.

- (a) The ageing analysis of trade payables as of the balance sheet date is as follows:

		At 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	At 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Within 1 month	1個月內	27,429	24,627
1 – 3 months	1至3個月	7,273	9,584
3 – 6 months	3至6個月	1,267	1,858
6 – 12 months	6至12個月	1,783	1,164
1 – 2 years	1至2年	2,028	1,134
		39,780	38,367

Included in trade payables are amounts due to related parties of RMB16,737,000 at 30 June 2008 (31 December 2007: RMB26,762,000).

13. 應付貿易賬款及其他應付款項

全部應付貿易賬款及其他應付款項預期可於一年內償還。

- (a) 於結算日，應付貿易賬款的賬齡分析如下：

應付貿易賬款包括應付關連方款項人民幣16,737,000元(二零零七年十二月三十一日：人民幣26,762,000元)。

14. Inventories

During the six months ended 30 June 2008 RMB408,772,000 (six months ended 30 June 2007: RMB276,666,000) has been recognised as a reduction in the amount of inventories recognised as an expense.

14. 存貨

於截至二零零八年六月三十日止六個月，已確認人民幣408,772,000元(截至二零零七年六月三十日止六個月：人民幣276,666,000元)，為削減已確認為開支的存貨金額。

15. Capital and reserves

(a) Group

Details of the movements in capital and reserves of the Group are set out on page 25.

15. 資本及儲備

(a) 集團

本集團的資本及儲備變動詳情載於第25頁。

(b) Authorised and issued share capital

(b) 法定及已發行股本

		2008 二零零八年		2007 二零零七年	
		No. of shares 股份數目	'000 千元	No. of shares 股份數目	'000 千元
Authorised:	法定：				
Ordinary shares of HK\$0.1 each (note 15(b)(i))	每股面值0.1港元 的普通股 (附註15(b)(i))	5,000,000,000	HK\$500,000	3,800,000	HK\$380
Equivalent to:	相當於：		RMB450,000		RMB368
Ordinary shares, issued and fully paid:	已發行及繳足 普通股：				
At 1 January/7 March	於一月一日/三月七日	2,874,333	279	1	–
Arising from the Reorganisation (note 15(b)(iv))	因重組產生的股本 (附註15(b)(iv))	–	–	999,999	97
Acquisition of minority interests (note 15(b)(iv))	收購少數股東權益 (附註15(b)(iv))	–	–	343,708	33
Issue of new shares (note 15(b)(iv))	發行新股份 (附註15(b)(iv))	–	–	1,530,625	149
Capitalisation issue (note 15(b)(ii))	資本化發行 (附註15(b)(ii))	1,434,292,167	129,086	–	–
Shares issued under the global offering (note 15(b)(iii))	全球發售所發行股份 (附註15(b)(iii))	253,600,000	22,824	–	–
At 30 June 2008/ 31 December 2007	於二零零八年 六月三十日/ 二零零七年 十二月三十一日	1,690,766,500	152,189	2,874,333	279

15. Capital and reserves (Continued)**(b) Authorised and issued share capital** (Continued)

- (i) Pursuant to the ordinary resolutions passed on 12 January 2008, the authorised share capital of the Company was increased from HK\$380,000 (equivalent to RMB368,000) to HK\$5,000,000,000 (equivalent to RMB4,500,000,000) by the creation of 4,996,200,000 new ordinary shares of HK\$0.1 (equivalent to RMB0.09) each.
- (ii) Pursuant to the ordinary resolutions passed on 27 February 2008, the Directors allotted and issued a total of 1,434,292,167 shares of HK\$0.1 (equivalent to RMB0.09) each credited as fully paid at par to the shareholders whose names appeared on the register of members of the Company at the close of business on the date of the Prospectus dated 17 March 2008 in proportion to their shareholdings at that date by capitalising a sum of HK\$143,429,000 (equivalent to RMB129,086,000) standing to the credit of the share premium account of the Company.
- The allotment and issue of shares of the Company mentioned above is referred to as "Capitalisation issue".
- (iii) On 31 March 2008, an aggregate of 253,600,000 ordinary shares of HK\$0.1 (equivalent to RMB0.09) each were issued and offered for subscription at a price of HK\$2.92 (equivalent to RMB2.63) per share upon the listing of the Company's shares on the Stock Exchange. The Group raised approximately HK\$682 million (equivalent to RMB613 million) net of related expenses from the share offer.
- (iv) The details of these movements are set out in note 27 to the 2007 Annual Report.

15. 資本及儲備 (續)**(b) 法定及已發行股本** (續)

- (i) 根據於二零零八年一月十二日通過的普通決議案，透過增設 4,996,200,000 股每股面值 0.1 港元（相當於人民幣 0.09 元）的新普通股，將本公司法定股本由 380,000 港元（相當於人民幣 368,000 元）增至 5,000,000,000 港元（相當於人民幣 4,500,000,000 元）。
- (ii) 根據於二零零八年二月二十七日通過的普通決議案，董事將本公司股份溢價賬內的進賬 143,429,000 港元（相當於人民幣 129,086,000 元）撥充資本，藉以向在招股章程日期二零零八年三月十七日營業時間結束時名列本公司股東名冊的股東按其於當日持有的股權比例透過以面值配發及發行合共 1,434,292,167 股每股面值 0.1 港元（相當於人民幣 0.09 元）入賬列為繳足的股份。
- 上述本公司股份的配發及發行稱為「資本化發行」。
- (iii) 於二零零八年三月三十一日，本公司在其股份於聯交所上市時按每股 2.92 港元（相當於人民幣 2.63 元）的價格發行合共 253,600,000 股每股面值 0.1 港元（相當於人民幣 0.09 元）的普通股以供認購。扣除股份發售的相關開支後，本集團集資約 682,000,000 港元（相當於人民幣 613,000,000 元）。
- (iv) 有關變動詳情載於二零零七年年報附註 27。

16. Related party transactions

During the six months ended 30 June 2007 and 2008, transactions with the following parties are considered to be related party transactions:

Name of party

各方名稱

Relationship

關係

Tan Wen Hua 譚文華	Executive director of the Group 本集團之執行董事
Zhao Xiu Qin 趙秀芹	Spouse of Tan Wen Hua 譚文華之配偶
Jinzhou Changhua Carbon Production Co., Ltd. ("Changhua") 錦州昌華碳素製品有限公司(「錦州昌華」)	Significantly influenced by Tan Wen Hua 受譚文華重大影響
Wafer Works Corp. Group 合晶科技股份有限公司(「合晶科技」)	Equity shareholder of the Company 本集團權益股東
Helitek International Company Limited 漢崧國際有限公司	Subsidiary of Wafer Works Corp. Group 合晶科技附屬公司
Jinzhou Huarong Property Management Co., Ltd. 錦州華榮物業管理有限公司	Controlled by Tan Wen Hua 由譚文華控制
Jinzhou Huaxin Silicon Material Trading Department 錦州華新矽材料經營部	Controlled by Tan Wen Hua 由譚文華控制
Jinzhou Huihua Carbon Production Co., Ltd. 錦州輝華碳素製品有限公司	Controlled by Tan Wen Hua 由譚文華控制
Jinzhou Huihua Photovoltaic Technology Co., Ltd. 錦州華昌光伏科技有限公司	Controlled by Tan Wen Hua 由譚文華控制
Youhua 錦州佑華	Same key management as the Group before it became a subsidiary of the Group 成為本集團附屬公司之前，其主要管理人員與本集團相同
Jinzhou Youxin Electronic Materials Co., Ltd. ("Youxin") 錦州佑鑫電子材料有限公司(「錦州佑鑫」)	Controlled by Zhao Xiu Qin 由趙秀芹控制
Wafer Works (Shanghai) Corp. ("Wafer Works (Shanghai)") 上海合晶矽材料有限公司(「上海合晶」)	Subsidiary of Wafer Works Corp. Group 合晶科技附屬公司
Space Energy Corporation ("SEC") 宇宙能源株式會社(「宇宙能源株式會社」)	Equity shareholder of the Company 本公司權益股東

16. 關連方交易

於截至二零零七年及二零零八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：

16. Related party transactions (Continued)**(a) Key management personnel remuneration**

Remuneration for key management personnel of the Group for the six months ended 30 June 2008 is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	2,727	224
Retirement scheme contributions	退休金計劃供款	49	10
Share-based payments	以股份支付款項	5,294	-
		8,070	234

(b) Recurring transactions

Particulars of significant transactions between the Group and the above related parties during the six months ended 30 June 2007 and 2008 are as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Sales of goods to:	銷售貨品予：		
- SEC	- 宇宙能源株式會社	-	71,020
- Wafer Works Corp. Group	- 合晶科技	86,194	-
- Wafer Works (Shanghai)	- 上海合晶	10,043	-
Provision of services to:	提供服務予：		
- SEC	- 宇宙能源株式會社	16,769	-
- Wafer Works Corp. Group	- 合晶科技	2,200	-
- Wafer Works (Shanghai)	- 上海合晶	5,635	-
- Youhua	- 錦州佑華	-	643
		120,841	71,663
Purchases of goods from:	向下列各方購買貨品：		
- Changhua	- 錦州昌華	15,845	6,700
- SEC	- 宇宙能源株式會社	7,376	55,206
- Youhua	- 錦州佑華	-	52,310
- Wafer Works Corp. Group	- 合晶科技	79,223	-
- Wafer Works (Shanghai)	- 上海合晶	7,726	-
- Youxin	- 錦州佑鑫	14,499	9,096
Provision of services by Youhua	錦州佑華提供服務	-	1,550
		124,669	124,862
Provision of electricity and water from Huarong	錦州華榮提供水電	369	308

The directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms and were priced with reference to prevailing market prices, and in the ordinary course of business.

16. 關連方交易 (續)**(a) 主要管理人員薪酬**

截至二零零八年六月三十日止六個月，本集團的主要管理人員薪酬如下：

(b) 經常性交易

於截至二零零七年及二零零八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：

本公司董事認為，上述關連方交易乃於一般業務過程中按一般商業條款進行，並參考現行市價而訂價。

16. Related party transactions (Continued)

(c) Amounts due from related parties

		At 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	At 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Trade related:	與貿易相關：		
– SEC	– 宇宙能源株式會社	4,308	2,978
– Changhua	– 錦州昌華	1,823	351
– Wafer Works Corp. Group	– 合晶科技	35,125	28,840
– Wafer Works (Shanghai)	– 上海合晶	6,400	1,173
		47,656	33,342
Non-trade related:	非與貿易相關：		
– Wafer Works (Shanghai)	– 上海合晶	–	715
		47,656	34,057

Amounts due from related parties are unsecured, interest free and are expected to be recovered within one year.

應收關連方的款項為無抵押、免息及預期可於一年內收回。

(d) Amounts due to related parties

		At 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	At 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Trade	貿易		
– Wafer Works Corp. Group	– 合晶科技	6,689	18,708
– Wafer Works (Shanghai)	– 上海合晶	5,381	3,415
– Changhua	– 錦州昌華	1,812	1,356
– Youxin	– 錦州佑鑫	2,855	3,283
		16,737	26,762

Amounts due to related parties are unsecured, interest free and expected to be settled within one year.

應付關連方款項為無抵押、免息及預期可於一年內償還。

17. Capital commitments

Capital commitments that relate to purchase of property, plant and equipment outstanding as at balance sheet date not provided for in the unaudited interim financial report were as follows:

17. 資本承擔

於結算日有關購置物業、廠房及設備且仍未在未經審核中期財務報告內撥備的資本承擔如下：

		At 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元	At 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元
Authorised and contracted for	已授權並已訂約	244,988	83,668
Authorised but not contracted for	已授權但未訂約	–	8,570

18. Possible impact of amendments, new standards and interpretations issued but not yet effective for the period ended 30 June 2008

Up to the date of issue of this interim financial report, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the accounting period ended 30 June 2008 and which have not been adopted in this interim financial report.

18. 已頒布但於截至二零零八年六月三十日止期間尚未生效的修訂、新準則及詮釋可能產生的影響

截至本中期財務報告刊發日期止，香港會計師公會已頒布多項修訂、新準則及詮釋，但於截至二零零八年六月三十日止會計期間尚未生效，亦未在本中期財務報告中採納。

**Effective for
accounting periods
beginning on or after
於下列日期或之後開始
的會計期間生效**

HKAS 1 (Revised) 香港會計準則第1號(經修訂)	Presentation of Financial Statements 財務報表的呈列	1 January 2009 二零零九年一月一日
HKAS 23 (Revised) 香港會計準則第23號(經修訂)	Borrowing costs 借貸成本	1 January 2009 二零零九年一月一日
HKAS 27 (Revised) 香港會計準則第27號(經修訂)	Consolidation and Separate Financial Statements 綜合及獨立財務報表	1 July 2009 二零零九年七月一日
HKFRS 2 (Amendment) 香港財務報告準則第2號(修訂本)	Share-based payment – Vesting Conditions and Cancellations 以股份支付款項 – 歸屬條件及註銷	1 January 2009 二零零九年一月一日
HKFRS 3 (Revised) 香港財務報告準則第3號(經修訂)	Business Combinations 業務合併	1 July 2009 二零零九年七月一日
HKFRS 8 香港財務報告準則第8號	Operating Segments 經營分部	1 January 2009 二零零九年一月一日

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

本集團現正評估預料將於初次應用該等修訂、新準則及新詮釋期間出現的影響。根據迄今所得結論，採納該等修訂、新準則及新詮釋不大可能對本集團的業績及財政狀況構成重大影響。

19. Non-adjusting post balance sheet event

Xinri, Huari, Huachang, Youhua and Yangguang merged as one operating entity after the period end when the relevant approvals were obtained from the Jinzhou Municipal Bureau of Foreign Trade and Economic Cooperation, the Administration for Industry and Commerce and other relevant government bodies.

19. 毋須作出調整的結算日後事項

在獲得錦州市對外貿易經濟合作局、工商行政管理局及其他相關政府機構的相關批准後，錦州新日、錦州華日、錦州華昌、錦州佑華及錦州陽光於本期間終結後合併為單一營運實體。



Solargiga Energy