SF-PV

順風光電國際有限公司

Shunfeng Photovoltaic International Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 01165

We will make all efforts to the

LOW - CARBON ENVIRONMENT

2013 INTERIM REPORT

CONTENTS

Corporate Information

DIRECTORS

Executive Directors

Mr. Zhang Yi *(Chairman)*
(appointed on 12 July 2013)
Mr. Wang Xiangfu *(Chief Executive Officer)*
(appointed on 2 September 2013)
Mr. Shi Jianmin *(Vice Chairman)*
Mr. Wang Yu

Non-executive Directors

Mr. Lu Bin *(re-designated from an executive Director to non-executive Director on 2 September 2013)*
Mr. Yue Yang *(appointed on 29 March 2013)*

Independent Non-executive Directors

Mr. Tao Wenquan
Mr. Zhao Yuwen
Mr. Siu Wai Keung Francis *(appointed on 12 July 2013)*

AUDIT COMMITTEE

Mr. Siu Wai Keung Francis *(Chairman)*
Mr. Tao Wenquan
Mr. Zhao Yuwen

REMUNERATION COMMITTEE

Mr. Siu Wai Keung Francis *(Chairman)*
Mr. Zhang Yi
Mr. Tao Wenquan
Mr. Zhao Yuwen

NOMINATION COMMITTEE

Mr. Zhang Yi *(Chairman)*
Mr. Siu Wai Keung Francis
Mr. Zhao Yuwen

COMPANY SECRETARY

Mr. Tse, Man Kit Keith

AUTHORIZED REPRESENTATIVES

Mr. Zhang Yi
Mr. Tse, Man Kit Keith

REGISTERED OFFICE

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

HEADQUARTER

99 Yanghu Road
Wujin Hi-tech Industrial Development Zone
Changzhou City
Jiangsu 213164, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Portion B, 30/F
Bank of China Tower
1 Garden Road, Central
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISERS

As to Hong Kong law and U.S. law
Baker & McKenzie

Corporate Information

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong

COMPANY WEBSITE

www.sf-pv.com

STOCK CODE

01165

Chairman's Statement

On behalf of the Board, I am pleased to present to the Shareholders the unaudited condensed consolidation interim results of the Group for the Period.

The global economy remained uncertain and volatile for the first half of 2013. Coupled with the unresolved anti-dumping and anti-subsidy probes launched by the United States and the European Union during the Period, solar energy industry was overshadowed by declining product prices and delayed shipments. The Group's business was being adversely affected during the Period. As of 30 June 2013, revenue decreased by RMB243.2 million, or 36.9%, to approximately RMB416.0 million. Gross profit decreased by RMB10.9 million, or 17.6%, to approximately RMB51.1 million. The decrease in revenue and gross profit was primarily due to the decrease in the average selling price of our solar products, as a result of a fall in the market price for solar products. The shipment volume of solar products decreased by 10.9% to 183.7MW, as we did not produce 125 mm by 125 mm monocrystalline solar cells during the Period. For the corresponding period in 2012, the shipment volume of 125 mm by 125 mm monocrystalline solar cells was 9.3MW. However, gross profit margin had improved from 9.4% for the corresponding period in 2012 to 12.3% during the Period as the procurement cost of conductor pastes decreased during the Period which resulted in a decrease in average processing cost. Adjusted net profit for the Period was approximately RMB0.4 million after excluding the non-cash accounting treatment in relation to the adjusted fair values of the convertible bond in compliance with IFRSs of approximately RMB673.1 million. The Group recorded a net loss of RMB672.7 million during the Period which was mainly due to the non-cash accounting treatment in relation to the adjusted fair values of the convertible bond in compliance with IFRSs of approximately RMB673.1 million.

Even during such unfavourable business environment resulting from the uncertain global economic conditions, demand for our products remained sustainable. We believe this sustainability was attributable to our strong track record of product quality and superior branding. The "Shunfeng Photovoltaic" brand is synonymous with quality. We maintain the strength of our brand by executing a stringent manufacturing process, tailoring our products to meet our customers' needs and leveraging our extensive track record of superior product quality.

The first half of 2013 also marked an important milestone for the Group. During the Period, the Group successfully integrated its solar and photovoltaic businesses. The Group has acquired certain solar power related projects in the first half of 2013. It is expected the total annual designed capacity of projects signed (but not yet completed) by the Group will exceed 1,079MW on or before 31 December 2013, and meanwhile, the Group is negotiating with other parties to acquire further solar power projects which, upon completion, are expected to have an annual designed capacity of 640MW. All these actions are expected to help the Group to increase its market share in solar power generation business, improve its business operations and boost its overall profitability. Furthermore, the Group expects that the annual capacity of solar power plants would reach a much higher level by the end of 2014. With its expansion into the solar photovoltaic components market through market integration, the Group is able to strengthen its long-term and sustainable growth.

The optimistic progress made between China and the European Union on 29 July 2013 regarding the anti-dumping duty and countervailing investigation is a breakthrough for the industry. We believe that the news would help stabilize the price of China's photovoltaic products and effectively boost the market confidence in this industry.

In addition, the Chinese government has offered more support for photovoltaic industry under the 12th five year plan. The PV industry is expected to achieve steady and rapid growth. The installed capacity requirements set by the national development plans for renewable energy and the growth in the international market will stimulate demand for poly silicon, solar cells, and other products. Aggressive solar energy targets to be achieved by 2015 have also been set in China. All these new measures imply that solar photovoltaic industry will become one of China's most concerned new development sectors.

Chairman's Statement

Given all the positive and encouraging factors, the Group expects a favorable outcome in the near future. The Company will continue to strive to expand its production chain, diversify its business and enrich its income sources to further strengthen the Group as a whole.

Finally, for and on behalf of the Board, I would like to acknowledge the dedications and efforts made by the management team and our staff and express my gratitude to our Shareholders and business partners for their continuous support and trust. We look forward to creating greater value and returns for our Shareholders.

Zhang Yi
Chairman
Jiangsu, the PRC

27 August 2013

Management Discussion and Analysis

BUSINESS REVIEW

Overall, the Group's existing business remains challenging and there is no clear visibility amidst the continuing global economic uncertainties. In long term, however, we believe that once the global economic uncertainties have been cleared, the solar energy industry prospects will remain promising.

During the Period, our shipment volume was 183.7MW, which was approximately 10.9% lower than that of approximately 206.1MW for the corresponding period in 2012. The decrease in our shipment volume as we did not produce 125 mm by 125 mm monocrystalline solar cells during the Period and a decrease in demand of 156 mm by 156 mm monocrystalline solar cells which was partially offset by an increase in demand of 156 mm by 156 mm multicrystalline solar cells.

Our top 5 customers during the Period represented approximately 47.1% of our total revenue as compared to approximately 55.7% for the corresponding period in 2012. Our largest customer accounted for approximately 15.0% of our total revenue during the Period while it represented approximately 28.5% for the corresponding period in 2012. These changes were mainly due to our continuing efforts to optimise the customer base. We believe that product quality and cost advantage will remain to be crucial in the upcoming era of solar energy.

During the Period, our sales to PRC based customers represented approximately 85.2% of our total revenue, as compared to approximately 89.2% for the corresponding period in 2012. Our sales to overseas customers represented approximately 14.8% of our total revenue during the Period, as compared to approximately 10.8% for the corresponding period in 2012. Our strong track record of product quality, advanced proprietary technology and effective cost control measures have contributed to our reputation and thus our success in optimizing our customer base. We believe that such strategic moves will continue to contribute to the strong and sustainable demand for our products.

The Group has always been adopting a diversified procurement strategy which aims to minimize the disruption to our operation in case any supplier is unable to meet an order on time. Even if a supplier is willing to provide silicon chips at a more competitive price, the Group will still adopt this policy with an aim to broaden the supplier base. To ensure the successful implementation of this policy, the Group will maintain the existing business relationship whilst forming a strategic alliance with our suppliers and extending the supplier network to include potential suppliers which can provide silicon chips with higher quality.

The solar energy industry remained sluggish in the first half of 2013 due to several reasons. The surplus of products in China and the rest of the world had adversely affected the product prices; further industry growth was also dampened by the heavy embargo tariffs and prohibitive duties on China solar products imposed by the United States and the Eurozone. Yet the Group believes that under the strong pull of China's fast-growing economy and rising living standards as well as an increasing awareness on a clean living environment, renewable energy will become a very important source of power in China in the future.

Comparing to major energy consuming countries such as the United States and Germany, China is an emerging market for the photovoltaic industry. China's current market share is relatively small, indicating a substantial potential for growth.

In June 2013, China's State Council announced a package of new measures to further develop the domestic solar market. The new measures were introduced to support the Chinese solar industry and aim to support the development of distributed PV. The government will expand the renewable energy fund to ensure that projects of distributed PV generation will receive the incentives in time. Investment and financial firms will be called upon to help Chinese solar companies with financial problems, and mergers between PV manufacturers will be encouraged to create larger and stronger companies. The announcement gave a strong boost to the market sentiments.

During the 12th five-year plan period, the PV industry is expected to achieve steady and rapid growth. The installed capacity requirements set by the national development plans for renewable energy and the international market growth will stimulate demand for poly silicon, solar cells, and other products. Aggressive solar energy targets to be achieved by 2015 have also been set in China. All these new measures imply that solar photovoltaic industry will become one of China's most concerned new development sectors.

In February 2013, the Company has successfully issued convertible bond of approximately HK$449.4 million. Details of such convertible bond were disclosed in the announcement of the Company dated 31 December 2012 and the circular of the Company dated 21 January 2013. Another convertible bond of approximately HK$930.5 million has been issued in August 2013. Details of such convertible bond were disclosed in the announcement of the Company dated 28 June 2013 and the circular of the Company dated 24 July 2013. The additional funds serve as a significant financial support for our future development.

The Group has acquired certain solar power related projects in the first half of 2013. Among such projects, the business of solar power station represents a new business development of the Group and also represents a milestone for the Group's development, in particular, in solar power generation projects. The Board believes that such new development will improve the Group's business operations and boost its overall profitability. Apart from the acquisition transactions contemplated in the first half of 2013, the Group currently plan to further engage in other solar production projects in the second half of the year.

Set out below is a summary of the locations and designed capacity of the Group's current signed projects.

Location	**Annual designed capacity** (Note 1) MW
Xinjiang	530
Gansu	300
Ningxia	30
Heibei	130
Qinghai	20
Inner Mongolia	50
Jiangsu	19
	1,079

Note 1: The approval of, amongst others, the National Development and Reform Commission of China, the local government and other applicable regulatory bodies will be required for the construction or operation of the Group's solar power plants that are designed by the Group.

On or before 31 December 2013, it is expected the total annual designed capacity of projects signed (but not yet completed) by the Group will exceed 1,079MW, and meanwhile, the Group is negotiating with other parties to acquire further solar power plant projects which, upon completion, are expected to have an annual designed capacity of 640MW. By the end of 2013, it is expected that the total annual designed capacity of the Group's constructed and operated solar power plants will reach 600MW, and such 600MW capacity is expected to connect to the grid in early 2014.

The successful completion of the aforesaid solar power plant transactions is expected to contribute to the Group's solar power generation business, which in turn is expected to transform the Group into one of the leading integrated photovoltaic group. In addition, the Directors are of the view that such new developments will also serve as an indispensable part of the group's long term development strategy.

Future Plan(Note 2)

The Group has formulated a five-year business plan in relation to its solar power plants business in China with reference to the Company's understanding relating to the solar power generation market and internal business strategy. Under such plan, the Group intends to further engage in solar power plant projects which is expected to see a noticeable increase in the Group's total designed annual capacity in 2014 and steady increases from 2015 to 2017. The annual capacity of the Group's constructed and operated solar power plants is also forecasted to noticeably increase in 2014 and steadily increase from 2015 to 2017 under the Group's five year business plan.

Note 2: The five-year business plan represents the management's current proposal in relation to the development of the Group's solar power plants business for the period from 2013 to 2017. The ability of the Group to implement the plan can be adversely affected by external factors, such as the ability to identify suitable projects, obtaining any necessary regulatory approvals for the construction and operation of the solar power plants and changes in the market environment, and internal factors, such as meeting capital requirements or any subsequent changes to the business of the Group.

Outlook

On 29 July 2013, an optimistic progress was seen in China's photovoltaic industry since its exposure to the anti-dumping duty and countervailing investigation by the European Union. After 6 weeks of negotiation, an agreement was reached regarding the controversy on China's photovoltaic products, that the minimum price of China's solar electric export to Europe would be the proximal price of that in the spot market. On one hand, the action avoided the expansion of a trade war. On the other hand, China's photovoltaic industry could maintain its 60% of market share in the European Union, owing to the consensus on the export price. The Group holds firm belief that the agreement is essential in stabilizing the price of China's photovoltaic products and effectively boosts the confidence in the industry.

Besides, it is noted that not only is photovoltaic production expanding quickly, the technology, efficiency and management level of the industry has also been rising substantially. The cost of raw materials of photovoltaic production chain ranging from polycrystalline silicon, components and inverters has also been dropping swiftly. In view of the potential of growth, the Group decides to invest in the downstream industry of photovoltaic production in the future. The Group expects a favorable outcome in the near future. The Group will continue to strive to expand its production chain, diversify its business and enrich its income sources to further strengthen the Group as a whole.

FINANCIAL REVIEW

Revenue

Revenue decreased by RMB243.2 million, or 36.9%, from RMB659.2 million for the corresponding period in 2012 to RMB416.0 million during the Period, primarily as a result of the decrease in the average selling price of our solar products which was generally due to the fall in the market price for solar products caused by heavy embargo tariffs and prohibitive duties on China solar products imposed by the US and Eurozone. The shipment volume of our solar products decreased by 10.9% from 206.1MW for the corresponding period in 2012 to 183.7MW during the Period. Intra-group sales of wafers of approximately 47.7MW amounting to RMB61.5 million have been eliminated in the revenue of the Period.

For the six months ended 30 June 2013, sales of multicrystalline solar cells accounted for a substantial part of the total revenue whereas limited revenue was derived from sales of monocrystalline solar cells.

Sales of 156 mm by 156 mm monocrystalline solar cells

Revenue from sales of 156 mm by 156 mm monocrystalline solar cells decreased by RMB178.2 million, or 64.8% from RMB274.4 million for the corresponding period in 2012 to RMB96.2 million during the Period, primarily as a result of a decrease in our average unit price for this product by 28.7% from RMB3.42 per watt for the corresponding period in 2012 to RMB2.44 per watt during the Period, and a decrease in our shipment volume by 50.7% from 80.2MW for corresponding period in 2012 to 39.5MW during the Period.

Sales of 156 mm by 156 mm multicrystalline solar cells

Revenue from sales of 156 mm by 156 mm multicrystalline solar cells decreased by RMB20.1 million, or 6.7% from RMB300.1 million for the corresponding period in 2012 to RMB280.0 million during the Period, primarily as a result of a decrease in our average unit price for this product by 24.5% from RMB2.77 per watt for the corresponding period in 2012 to RMB2.09 per watt during the Period, which was partially offset by an increase in shipment volume from 108.2MW in the corresponding period in 2012 to 134.1MW during the Period.

Sales of 125 mm by 125 mm monocrystalline solar cells

Revenue from sales of 125 mm by 125 mm monocrystalline solar cells decreased by RMB31.3 million, or 100%, from RMB31.3 million for the corresponding period in 2012 primarily as a result of suspension of production of 125 mm by 125 mm monocrystalline solar cells during the Period.

Sales of solar modules

Revenue from sales of solar module decreased by RMB13.6 million, or 25.5% from RMB53.4 million for the corresponding period in 2012 to RMB39.8 million during the Period, primarily due to a decrease in our average unit price for this product by 38.2% from RMB6.36 per watt for corresponding period in 2012 to RMB3.93 per watt during the Period, which was partially offset by an increase in shipment volume by 20.2% from 8.4MW for corresponding period in 2012 to 10.1MW during the Period.

Geographic market

In terms of geographic markets from which our revenue was generated, approximately 85.2% of the total revenue during the Period was generated from sales to our PRC customers, as compared to 89.2% for the corresponding period in 2012. The remaining portion was generated from the sales to our overseas customers, who are mainly based in Canada and certain European countries.

Cost of sales

Cost of sales decreased by RMB232.3 million, or 38.9% from RMB597.2 million for the corresponding period in 2012 to RMB364.9 million during the Period, primarily as a result of a decrease in our procurement cost and a decrease in our shipment volume.

Gross profit

Gross profit decreased by RMB10.9 million, or 17.6%, from RMB62.0 million for the corresponding period in 2012 to RMB51.1 million during the Period, primarily as a result of the aforesaid reasons.

Other income

Other income decreased by RMB3.2 million, or 15.3%, from RMB20.9 million for the corresponding period in 2012 to RMB17.7 million during the Period, primarily due to a decrease in bank interest income, government grants and gain on sales of raw and other materials.

Other gains and losses

Other gains and losses decreased by RMB0.6 million, or 18.5% from a loss of RMB3.3 million for the corresponding period in 2012 to a loss of RMB2.7 million during the Period, which was primarily due to the reverse of impairment loss on trade and other receivable partially offset by an increase in foreign exchange loss.

Distribution and selling expenses

Distribution and selling expenses increased by RMB0.4 million, or 10.0% from RMB4.2 million for the corresponding period in 2012 to RMB4.6 million during the Period, primarily due to attending the more exhibitions to promote the "Shunfeng Photovoltaic" brand.

Administrative and general expenses

Administrative and general expenses decreased by RMB1.6 million, or 4.4%, from RMB35.2 million for the corresponding period in 2012 to RMB33.6 million during the Period, primarily as a result of effective cost controlling.

Finance costs

The Group had bank loans carrying variable interest rates based on the benchmark interest rates issued by the People's Bank of China and other fixed rate borrowings. Interest expenses in relation to bank loans and obligations under the finance lease decreased by RMB14.2 million, or 34.3%, from RMB41.4 million for the corresponding period in 2012 to RMB27.2 million during the Period, primarily as a result of a decrease in the amount of bank loans borrowed.

Fair value loss on convertible bond

On 28 February 2013, the Company issued the convertible bond and designated as financial liabilities at fair value through profit or loss upon initial recognition. Loss on fair value change of convertible bond arise from the adjusted fair value of the convertible bond between 28 February 2013 (i.e the date of issuance of the convertible bond) and for the six months ended 30 June 2013 in compliance with IFRSs.

Loss before taxation

Loss before taxation increased by RMB671.3 million, or 547.5 times, from RMB1.2 million for the corresponding period in 2012 to RMB672.5 million during the Period, as a result of the reasons stated above.

Income tax expense

Income tax expense decreased from RMB3.6 million for the corresponding period in 2012 to RMB0.2 million during the Period, primarily as a result of no taxable profit generated during the Period.

On 8 November 2011, Shunfeng Technology obtained "High Technology Enterprise" status for 3 years that entitles Shunfeng Technology a preferential tax rate of 15% for year 2012 and year 2013 according to PRC Tax law. Shunfeng Technology was subject to 15% tax rate for the Period. No taxable profit generated during the Period (six months ended 30 June 2012: 15%).

The remaining subsidiaries of the Company established in the PRC are subject to PRC enterprise income tax rate of 25%.

Loss for the Period

Net loss increased by RMB667.9 million, or 139.6 times, from RMB4.8 million for the corresponding period in 2012 to RMB672.7 million during the Period, as a result of the reasons stated above. Net loss margin increased from -0.7% for the corresponding period in 2012 to -161.7% during the Period.

Inventory turnover days

The inventories of the Group mainly comprised of raw materials, work-in-progress and finished goods. The increase in inventories was mainly due to reserving sufficient inventory level to meet increase in shipment demand in second quarter. Included in the balance of the inventories as at 30 June 2013 was a write-down of inventories of RMB2.1 million (31 December 2012: RMB7.2 million), this write-down was mainly due to the continuous fall in the prices of raw material and product selling prices caused by the global economic slowdown. The inventory turnover days as at 30 June 2013 was 19.6 days (31 December 2012: 20.3 days). Unless we received attractive offers from suppliers, the optimal inventory level should be around one month of our sales volume to meet the Group's production requirements.

Trade receivables turnover days

The trade receivables turnover days as at 30 June 2013 was 58.3 days (31 December 2012: 75.3 days). The decrease in turnover days was mainly due to the improvement of credit control, the trade receivables turnover days as at 30 June 2013 was within the credit period (normally 15 to 180 days) which the Group grants to its customers.

Trade payables turnover days

The trade payables turnover days as at 30 June 2013 was 75.7 days (31 December 2012: 68.7 days). Given the established relationship and the change in general market environment, our suppliers allowed the Group to have a reasonable payment period throughout the year.

Indebtedness, liquidity, gearing ratio and capital structure

The Group's principal sources of working capital included cash flow from operating activities, bank and other borrowings and the net proceeds from the issue of the convertible bonds. As at 30 June 2013, the Group's current ratio (current assets divided by current liabilities) was 0.6 (31 December 2012: 0.4) and it was in a negative net cash position.

The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a strong liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet our future development demands for capital. As at 30 June 2013, the Group was in a negative net cash position of RMB401.3 million (31 December 2012: RMB885.9 million) which included cash and cash equivalent of RMB460.5 million (31 December 2012: RMB17.3 million) and short-term bank and other borrowings of RMB861.9 million (31 December 2012: RMB903.2 million).

The Group's borrowings were denominated in RMB while its cash and bank balances, restricted bank deposits and pledged bank deposits were denominated in RMB, HKD, Euro and JPY. The Group's net debt to equity ratio (net debt divided by shareholders' equity) increase from 205.4% as at 31 December 2012 to -128.1% as at 30 June 2013 due to the adjusted fair value of the convertible bond.

The Group have budgeted RMB371.9 million for its total capacity expansion, which will be funded by net proceeds from the issue of the convertible bonds, our cash flows from operations and/or bank loans.

During the Period, the Group did not enter into any financial instruments for hedging purposes nor did the Group have any currency borrowings and other hedging instruments to hedge against foreign exchange rate risks (31 December 2012: Nil).

Contingent liabilities and guarantees

As at 30 June 2013, the Group did not provide any guarantees for any third party and had no significant contingent liabilities (31 December 2012: Nil).

Charges on the Group's assets

At 30 June 2013, the Group had pledged certain trade receivables and bills receivables with aggregate carrying amount of approximately RMB264,817,000 (31 December 2012: RMB73,428,000) and certain property, plant and equipment with aggregate carrying amount of approximately RMB153,591,000 (31 December 2012: RMB180,446,000) to various banks for securing loans and general credit facilities granted to the Group.

As at 30 June 2013, the Group pledged bank deposits and restricted bank deposits in an aggregate amount of approximately RMB205.6 million (31 December 2012: RMB287.1 million) to banks to secure banking facilities granted to the Group.

During the Period, the Group obtained other borrowing from an independent third party amounting to RMB90,000,000 (31 December 2012: RMB35,000,000), which was unsecured, bearing interest at fixed interest rate of 8.0% per annum and repayable within one year. The Group made repayments in other borrowing amounting to RMB15,000,000 (six months ended 30 June 2012: nil).

Save as disclosed above, as at 30 June 2013 and 31 December 2012, no other assets of the Group was under charge in favor of any financial institution.

Exposure to the fluctuation in exchange rates

Certain bank balances and cash, restricted bank deposits and pledged bank deposits, trade and other receivables and trade and other payables and borrowings are denominated in currencies other than RMB, which expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy but the Directors monitor foreign exchange exposure by closely monitoring the foreign exchange risk profile by way of arrangement of foreign currency forward contracts and will consider hedging significant foreign currency exposure should the need arise.

Significant investments held and material acquisitions or disposals

On 14 January 2013, Shunfeng Photovoltaic Holdings Limited, a wholly-owned subsidiary of the Company, entered into an equity purchase agreement with New Capability Limited to acquire its 45.45% equity interest in Changzhou Shunfeng Photovoltaic Materials Co., Ltd. ("**Shunfeng Materials**") at a consideration of RMB72,000,000. Shunfeng Materials is principally engaged in manufacturing and sales of silicon ingots and wafers. Such acquisition was completed on 7 April 2013. Upon completion, Shunfeng Materials becomes an indirect wholly-owned subsidiary of the Company. Details of such acquisition are disclosed in the announcement of the Company dated 14 January 2013 and the circular of the Company dated 4 February 2013.

On 22 May 2013, Shunfeng Technology, entered into an equity transfer agreement with Suntech Power Holdings Co., Ltd. ("**Suntech Power"**), pursuant to which Shunfeng Technology has conditionally agreed to acquire and Suntech Power has conditionally agreed to sell its 99% equity interest in Suntech (Hami) Solar Power Generation Co., Ltd. ("**Suntech (Hami) Company**") at a consideration of RMB3,960,000. Suntech (Hami) Company is principally engaged in manufacturing and sales of solar photovoltaic and solar energy power. Such acquisition was completed on 25 June 2013. Upon completion, Suntech (Hami) Company becomes a 99% owned subsidiary of the Company. Details of the acquisition are disclosed in the announcement of the Company dated 22 May 2013.

Save as disclosed above, there was no significant investment in, and no acquisition or disposal of subsidiaries and associated companies by the Group during the Period.

Human resources

As at 30 June 2013, the Group had 1,408 employees (31 December 2012: 1,107). The remuneration packages for the existing employee include basic salaries, discretionary bonuses and social security contributions. Pay levels of the employees are commensurate with their responsibilities, performance and contribution.

Interim dividend

The Board has resolved not to declare an interim dividend during the Period.

Use of net proceeds from the listing

The Shares were listed on the Main Board of the Hong Kong Stock Exchange on 13 July 2011 with net proceeds from the Global Offering of approximately HK$416.4 million (after deducting underwriting commissions and related expenses).

The use of the net proceeds from the Global Offering as at 30 June 2013 was as follows:

Use	Percentage of net proceeds	Amount of net proceeds (in HK$ million)	Amount utilised (in HK$ million)	Amount remaining (in HK$ million)
Expansion of solar cell production capacity	45%	187.4	187.4	—
Expansion of silicon wafer production capacity	45%	187.4	187.4	—
Expansion of solar module production capacity	8%	33.3	33.3	—
Working capital	2%	8.3	8.3	—
	100%	416.4	416.4	—

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As the Company has arranged appropriate insurance cover in respect of legal action against its directors according to Code A.1.8 of the Corporate Governance Code, it has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the Period.

COMPLIANCE WITH THE MODEL CODE

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the Period.

REVIEW OF INTERIM FINANCIAL INFORMATION

The audit committee of the Company has reviewed and agreed with the management on the accounting principles, treatment and practices adopted by the Group and discussed the internal controls and financial reporting matters including the review of the interim results and the unaudited condensed consolidated interim financial statements during the Period with the Directors. The audit committee of the Company considered that the interim financial statements during the Period are in compliance with the relevant accounting standards, the requirements of the Hong Kong Stock Exchange and the laws of Hong Kong, and the Company has made appropriate disclosure thereof.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules for the Period.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2013, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Hong Kong 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 (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code were as follows:

Name of Director	Capacity	Number of Shares held	Approximate percentage of interest in total issued share capital of the Company
Mr. Tang Guoqiang	Interest of controlled corporation (Note 1)	226,161,000 (long position)	14.50%

Note:

1. Coherent Gallery International Limited is wholly owned by Mr. Tang Guoqiang, a former non-executive Director. Mr Tang Guoqiang is deemed to be interested in the 226,161,000 Shares held by Coherent Gallery International Limited for the purposes of the SFO.

Save as disclosed above, to the best knowledge of the Directors of the Company, as at 30 June 2013, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Hong Kong 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 (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code.

RIGHTS TO PURCHASE SHARES OR DEBENTURES OF DIRECTORS AND CHIEF EXECUTIVE

No arrangements to which the Company, its subsidiary, its holding company or a subsidiary of its holding company is or was a party to enable the Directors and the chief executive of the Company to acquire benefits by means of acquisitions of shares in or debentures of the Company or any other body corporate subsisted at the end of the year or at any time during the Year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2013, so far as is known to the Directors or chief executive of the Company, the following persons (other than the Directors and the chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares, which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or the interests or short positions recorded in the register kept by the Company under section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Number of Shares held	Approximate percentage of interest in total issued share capital of the Company
Peace Link Services Limited	Beneficial owner (Note 1)	3,571,721,000 (long position)	228.96%
Endless Rocket International Limited	Beneficial owner (Note 2)	274,248,000 (long position)	17.58%
Coherent Gallery International Limited	Beneficial owner (Note 3)	226,161,000 (long position)	14.50%
Faithsmart Limited	Interest of controlled corporation (Note 4)	3,571,721,000 (long position)	228.96%
Triocean Investments Limited	Interest of controlled corporation (Note 5)	274,248,000 (long position)	17.58%
Mr. Cheng Kin Ming	Interest of controlled corporation (Note 6)	3,571,721,000 (long position)	228.96%
Mr. Zhang Ying	Interest of controlled corporation (Note 7)	274,248,000 (long position)	17.58%
Mr. Lam Chit Wing	Interest of controlled corporation (Note 8)	274,248,000 (long position)	17.58%
Mr. Tang Guoqiang	Interest of controlled corporation (Note 9)	226,161,000 (long position)	14.50%

Notes:

1. Peace Link Services Limited is wholly owned by Faithsmart Limited which is in turn wholly owned by Mr. Cheng Kin Ming. 2,100,000,000 Shares and 1,009,220,000 Shares will be allotted and issued to Peace Link Services Limited upon the exercise in full of the conversion rights attaching to the convertible bonds to be subscribed by Peace Link Services Limited pursuant to the subscription agreement dated 31 December 2012 and 28 June 2013 respectively entered into between the Company and it.

2. Endless Rocket International Limited is wholly owned by Triocean Investments Limited which is owned as to 52% by Mr. Zhang Ying and as to 48% by Mr. Lam Chit Wing.

3. Coherent Gallery International Limited is wholly owned by Mr. Tang Guoqiang, a former non-executive Director.

4. Faithsmart Limited is the beneficial owner of 100% shareholding in Peace Link Services Limited and, therefore, Faithsmart Limited is deemed to be interested in 3,571,721,000 Shares held by Peace Link Services Limited for the purposes of the SFO.

5. Triocean Investments Limited is the beneficial owner of 100% shareholding in Endless Rocket International Limited and, therefore Triocean Investments Limited is deemed to be interested in 274,248,000 Shares held by Endless Rocket International Limited for the purposes of the SFO.

6. Mr. Cheng Kin Ming is the beneficial owner of 100% shareholding in Faithsmart Limited. In turn, Faithsmart Limited is the beneficial owner of 100% shareholding in Peace Link Services Limited. Therefore, Mr. Cheng Kin Ming is deemed to be interested in 3,571,721,000 Shares held by Peace Link Services Limited for the purposes of the SFO.

7. Mr. Zhang Ying is the beneficial owner of a 52% shareholding in Triocean Investments Limited. In turn, Triocean Investments Limited is the beneficial owner of 100% shareholding in Endless Rocket International Limited. Therefore, Mr. Zhang Ying is deemed to be interested in 274,248,000 Shares held by Endless Rocket International Limited for the purposes of the SFO.

8. Mr. Lam Chit Wing is the beneficial owner of a 48% shareholding in Triocean Investments Limited. In turn, Triocean Investments Limited is the beneficial owner of 100% shareholding in Endless Rocket International Limited. Therefore, Mr. Lam Chit Wing is deemed to be interested in 274,248,000 Shares held by Endless Rocket International Limited for the purposes of the SFO.

9. Mr. Tang Guoqiang is the beneficial owner of 100% shareholding in Coherent Gallery International Limited and, therefore, Mr. Tang Guoqiang is deemed to be interested in 226,161,000 Shares held by Coherent Gallery International Limited for the purposes of the SFO.

Save as the disclosed above, to the best knowledge of the Directors, as at 30 June 2013, no person (other than the Directors or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or any interest or short positions recorded in the register kept by the Company under section 336 of the SFO.

PUBLICATION OF INTERIM REPORT

This interim report containing the relevant information required by the Listing Rules is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (http://www.sf-pv.com). The interim report for the Period will be dispatched to the Shareholders and made available on the above websites in due course.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF SHUNFENG PHOTOVOLTAIC INTERNATIONAL LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Shunfeng Photovoltaic International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 20 to 45, which comprises the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, 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 International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, 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 International 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 August 2013

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2013

	Notes	Six months ended 30/06/2013 RMB'000 (Unaudited)	Six months ended 30/06/2012 RMB'000 (Unaudited)
Revenue	3	**415,950**	659,194
Cost of sales		**(364,899)**	(597,217)
Gross profit		**51,051**	61,977
Other income	4	**17,671**	20,853
Other gains and losses	5	**(2,680)**	(3,289)
Distribution and selling expenses		**(4,630)**	(4,210)
Administrative expenses		**(33,607)**	(35,162)
Finance costs	6	**(27,206)**	(41,395)
Profit (loss) before tax and fair value loss on convertible bond		**599**	(1,226)
Fair value loss on convertible bond	21	**(673,111)**	—
Loss before taxation	7	**(672,512)**	(1,226)
Income tax expense	8	**(185)**	(3,558)
Loss and total comprehensive income for the Period		**(672,697)**	(4,784)
(Loss) profit and total comprehensive income attributable to:			
Owners of the Company		**(670,845)**	292
Non-controlling interests		**(1,852)**	(5,076)
		(672,697)	(4,784)
		RMB cents	RMB cents
(Loss) earnings per share	10		
— Basic		**(43.00)**	0.02
— Diluted		**(43.00)**	0.02

Condensed Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	1,391,205	1,265,832
Prepaid lease payments — non-current		49,657	50,218
Deposits for acquisition of property, plant and equipment		80,945	17,763
Deposits for acquisition of land use rights		11,271	11,271
Deferred tax assets		11,328	11,514
Other receivable due after one year	12	—	8,317
		1,544,406	1,364,915
Current assets			
Inventories		45,923	32,905
Trade and other receivables	12	175,571	241,238
Value-added tax recoverable		59,847	84,220
Prepayments to suppliers	13	30,566	19,335
Prepaid lease payments — current		1,122	1,122
Tax recoverable		3,463	3,463
Pledged bank deposits	14	3,860	10,695
Restricted bank deposits	14	201,749	276,437
Bank balances and cash		460,521	17,280
		982,622	686,695
Current liabilities			
Trade and other payables	15	456,184	600,449
Customers' deposits received		17,792	12,512
Advance from a shareholder	16	370,830	—
Obligations under finance leases	17	35,606	27,215
Borrowings	18	861,850	903,217
Convertible bond	21	17,890	—
		1,760,152	1,543,393
Net current liabilities		(777,530)	(856,698)
Total assets less current liabilities		766,876	508,217

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2013

	Notes	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Capital and reserves			
Share capital	20	12,892	12,892
Reserves		(326,297)	477,656
Equity attributable to owners of the Company		(313,405)	490,548
Non-controlling interests		40	(59,256)
Total equity		(313,365)	431,292
Non-current liabilities			
Obligations under finance leases	17	7,341	21,545
Deferred income	19	53,962	55,380
Convertible bond	21	1,018,938	—
		1,080,241	76,925
Total equity and non-current liabilities		766,876	508,217

The condensed consolidated financial statements on page 20 to 45 were approved and authorised for issue by the Board of Directors on 27 August 2013 and are signed on its behalf by:

Director

Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Attributable to owners of the Company							
	Paid-in capital/Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits (deficits) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2012 (Audited)	12,892	320,283	203,964	24,974	114,782	676,895	25,733	702,628
Profit (loss) and total comprehensive income (expense) for the period	—	—	—	—	292	292	(5,076)	(4,784)
At 30 June 2012 (Unaudited)	12,892	320,283	203,964	24,974	115,074	677,187	20,657	697,844
At 1 January 2013 (Audited)	12,892	320,283	203,964	24,974	(71,565)	490,548	(59,256)	431,292
Loss and total comprehensive expense for the period	—	—	—	—	(670,845)	(670,845)	(1,852)	(672,697)
Acquisition of a subsidiary (note 23)	—	—	—	—	—	—	40	40
Acquisition of additional interests in a subsidiary (note)	—	—	(133,108)	—	—	(133,108)	61,108	(72,000)
At 30 June 2013 (unaudited)	12,892	320,283	70,856	24,974	(742,410)	(313,405)	40	(313,365)

Note: On 28 March 2013, the Group acquired the remaining interests of 45.45% in Changzhou Shunfeng Photovoltaic Materials Co., Ltd. ("Shunfeng Materials") for a consideration of RMB72,000,000. After the acquisition, Shunfeng Materials becomes an indirect wholly-owned subsidiary of the Company. The special reserve arising as a result of the acquisition was approximately RMB133,108,000.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	Note	30/06/2013 RMB'000 (Unaudited)	30/06/2012 RMB'000 (Unaudited)
Net cash used in operating activities		(15,355)	(25,531)
Investing activities			
Release of restricted bank deposits		1,292,058	279,541
Withdrawal of pledged bank deposits		10,695	148,506
Receipt from government grants		—	5,000
Interest income received		2,959	4,547
Deposits paid for and purchase of land use rights		—	(1,416)
Placement of pledged bank deposits		(3,860)	—
Placement of restricted bank deposits		(1,217,370)	(412,819)
Purchase of property, plant and equipment		(209,917)	(222,679)
Acquisition of a subsidiary (net of cash)	23	(3,450)	—
Net cash used in investing activities		(128,885)	(199,320)
Financing activities			
Acquisition of non-controlling interest of a subsidiary		(72,000)	—
New bank and other borrowings raised		587,410	902,876
Repayment of obligations under finance leases		(5,813)	(12,135)
Advance from a director		—	10,000
Advance from a shareholder		370,830	—
Interest paid		(27,245)	(51,267)
Repayment of bank and other borrowings		(628,777)	(690,327)
Proceeds on issue of convertible bond		363,717	—
Transaction costs paid for issuance of convertible bond		(641)	—
Net cash from financing activities		587,481	159,147
Net increase (decrease) in cash and cash equivalents		443,241	(65,704)
Cash and cash equivalents at beginning of the period		17,280	120,122
Cash and cash equivalents at end of the period, represented by bank balances and cash		460,521	54,418

Notes to the Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") as well as the applicable disclosure requirements of Appendix 16 to the Listing Rules.

The Group had net current liabilities of RMB777,530,000 as at 30 June 2013 and contracted for commitments as set out in notes 24 and 26. The Directors are of the opinion that, taking into account the presently available banking facilities of RMB1,255,000 as at 30 June 2013, the issuance of convertible bond, subsequent to 30 June 2013 and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current period, the Group has applied, for the first time, the following significant accounting policy due to the issuance of convertible bonds:

Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss is included in fair value change of convertible bonds in profit or loss and includes any interest paid on the financial liabilities.

In the current period, the Group has applied, for the first time, certain new or revised International Financial Reporting Standards("IFRSs") issued by the IASB that are mandatorily effective for the current period.

The impact of the application of these standards is set out below.

IFRS 13 Fair Value Measurement

The Group has applied IFRS 13 for the first time in the current interim period. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of IFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. IFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 22.

Except as described above, the application of the new or revised IFRSs in the current period has no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group mainly operates in manufacturing and sales of solar cells, solar modules, solar wafers and related products. The chief executive officer, who is also a director of the Company and the chief operating decision maker, regularly reviews revenue analysis by major products and the Group's profit for the Period to make decisions about resources allocation and performance assessment. Accordingly, the Group has only one operating and reporting segment for financial reporting purpose. No segment information is presented other than entity-wide disclosure as no other discrete financial information is available for the assessment of performance and resources of the Group's business activities.

Entity-wide disclosures

Revenue analyzed by major products

The Group has been engaged in manufacturing and sales of solar cells, solar modules, solar wafers and related products.

The following table sets forth a breakdown of the Group's revenue for the six months ended 30 June 2013 and 2012:

	Six months ended	
	30/06/2013	30/06/2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Monocrystalline solar cells	**96,190**	305,660
Multicrystalline solar cells	**279,970**	300,084
Solar modules	**39,790**	53,450
Total	**415,950**	659,194

4. OTHER INCOME

	Six months ended 30/06/2013 RMB'000 (Unaudited)	Six months ended 30/06/2012 RMB'000 (Unaudited)
Bank interest income	2,959	4,547
Government grants (Note)	9,721	10,996
Gain on sales of raw and other materials	4,405	4,360
Others	586	950
Total	17,671	20,853

Note: The government grants represent the amount received from the local government by the entities of the Group operating in the People's Republic of China (the "PRC"). Government grants of approximately (a) RMB7,101,000 (six months ended 30 June 2012: RMB7,417,000) represents incentive received in relation to activities carried out by the Group; (b) RMB2,620,000 (six months ended 30 June 2012: RMB2,029,000) represents subsidy on acquisition of land use rights and machineries amortized to profit or loss and (c) for six months ended 30 June 2012: RMB1,550,000 represents grants in recognition of the Group's successful listing in the Hong Kong Stock Exchange in year 2011 (2013: Nil).

5. OTHER GAINS AND LOSSES

	Six months ended 30/06/2013 RMB'000 (Unaudited)	Six months ended 30/06/2012 RMB'000 (Unaudited)
Foreign exchange losses, net	(4,611)	(3,879)
Release of gain on a sale and leaseback arrangement	1,165	1,165
Change in fair values of foreign currency forward contracts	—	(19)
Reverse of impairment loss on trade and other receivables	1,002	—
Others	(236)	(556)
	(2,680)	(3,289)

6. FINANCE COSTS

	Six months ended 30/06/2013 RMB'000 (Unaudited)	Six months ended 30/06/2012 RMB'000 (Unaudited)
Interest on bank borrowings wholly repayable within five years	19,511	24,365
Finance charges on factoring of bills receivable	10,630	16,665
Interest on finance leases	1,540	2,816
Total borrowing costs	31,681	43,846
Less: amounts capitalized	(4,475)	(2,451)
	27,206	41,395

Borrowing costs capitalized during the current period arose on the general borrowing pool and are calculated by applying a capitalization rate of 6.41% (six months ended 30 June 2012: 6.21%) per annum to expenditure on qualifying assets.

7. LOSS BEFORE TAXATION

	Six months ended 30/06/2013 RMB'000 (Unaudited)	Six months ended 30/06/2012 RMB'000 (Unaudited)
Loss before taxation has been arrived at after charging:		
Cost of inventories recognized as expense	364,899	597,217
Depreciation of property, plant and equipment	37,627	38,798
Release of prepaid lease payment	561	561
Staff cost	47,943	50,164
Research expenses (included in administrative expenses)	3,789	3,072

8. TAXATION

	Six months ended 30/06/2013 RMB'000 (Unaudited)	Six months ended 30/06/2012 RMB'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax	–	2,961
Deferred taxation	185	597
	185	3,558

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong.

On 8 November 2011, Jiangsu Shunfeng Photovoltaic Technology Co., Ltd. ("Shunfeng Technology") obtained "High Technology Enterprise" status for 3 years that entitles Shunfeng Technology a preferential tax rate of 15% for year 2012 and 2013 according to PRC Tax law. Shunfeng Technology was subject to 15% tax rate for the current period. No provision for taxation has been made in respect of Shunfeng Technology as it has no taxable profit generated in current period (six months ended 30 June 2012: 15%).

The remaining subsidiaries of the Company established in the PRC are subject to PRC enterprise income tax rate of 25%.

9. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2013 and 2012. The Directors have determined that no dividend will be paid in respect of the interim period.

10. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	Six months ended	
	30/06/2013 RMB'000 (Unaudited)	30/06/2012 RMB'000 (Unaudited)
(Loss) Earnings		
(Loss) profit for the period attributable to owners of the Company for the purposes of basic (loss) earnings per share	(670,845)	292
Number of shares		
Number of ordinary shares in issue for the purpose of basic (loss) earnings per share	1,560,000,000	1,560,000,000

The computation of diluted loss per share for the six months ended 30 June 2013 does not assume the conversion of convertible bonds because the conversion of convertible bonds would be anti-dilutive. Diluted earnings per share was the same as basic earnings for the six months ended 30 June 2012 as no dilutive potential shares were outstanding during that period.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group had additions to property, plant and equipment (including capital expenditure for construction in progress) of approximately RMB163,000,000 (six months ended 30 June 2012: RMB202,276,000).

12. TRADE AND OTHER RECEIVABLES

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Trade receivables	95,975	172,006
Less: Allowance for doubtful debts	(21,129)	(21,494)
	74,846	150,512
Bills receivable	57,029	47,972
Other receivables and prepayments (note)	43,696	51,071
	175,571	249,555
Less: Amount due for settlement within one year shown under current assets	(175,571)	(241,238)
Amount shown under non-current assets	–	8,317

Note: The Group entered into an agreement (the "Original Agreement") with an independent party which is not related to the Group and is engaged in the building of photovoltaic power generation plant in November 2011. According to the terms of the Original Agreement, the Group advanced an amount of Euro4,000,000 (approximately RMB33,271,000) to the counterparty during the year ended 31 December 2011 for the building of a photovoltaic power generation project. In March 2012, the parties involved signed a supplementary agreement and mutually agreed that the advance will be repayable in one year since the date of the Original Agreement with interest at a rate of 5% per annum. In December 2012, the parties involved signed another supplemental agreement and mutually agreed that the advance is charged with interest at 6% per annum and will be repayable in the following manner: (i) Euro1,000,000 to be paid before 15 May 2013, (ii) Euro1,000,000 to be paid in July 2013, (iii) Euro1,000,000 to be paid in September 2013 and (iv) Euro1,000,000 and all outstanding interest payment to be paid in February 2014. The amount is also guaranteed by the owner of the counterparty. The management of the Group considers that the credit quality of the counterparty is good and no impairment loss is recognized. At 31 December 2012, an amount of Euro1,000,000 (equivalent to RMB8,317,000) represents the last payment which fall due in February 2014, is classified as non-current assets. Euro1,000,000 and Euro1,000,000 were received from the counterparty in accordance with the supplementary agreement in May 2013 and July 2013, respectively.

The Group normally requests prepayments from customers before delivery of goods and allows credit period up to 180 days to certain trade customers on a case by case basis. The following is an analysis of trade receivables by age, presented based on the invoice date at the end of the reporting period:

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Age		
0 to 30 days	35,142	23,326
31 to 60 days	5,870	46,218
61 to 90 days	8,041	29,140
91 to 180 days	10,995	16,353
Over 180 days	14,798	35,475
	74,846	150,512

12. TRADE AND OTHER RECEIVABLES (Continued)

The following is an analysis of the Group's bills receivable by age, presented based on the issue date at the end of the reporting period:

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Age		
0 to 30 days	15,392	5,226
31 to 60 days	5,600	8,517
61 to 90 days	810	11,480
91 to 180 days	35,227	22,749
	57,029	47,972

13. PREPAYMENTS TO SUPPLIERS

From time to time, the Group makes prepayments to suppliers for purchase of delivery of raw materials.

14. PLEDGED BANK DEPOSITS/RESTRICTED BANK DEPOSITS

Pledged bank deposits and restricted bank deposits of the Group represent deposits placed in banks for arranging banking facilities granted to the Group. All these deposits are to secure short term bank loans and for the purpose of obtaining banking facilities of the Group, accordingly, the balances are classified as current asset.

15. TRADE AND OTHER PAYABLES

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Trade payables	127,218	177,818
Bills payable	267,947	323,244
Payables for acquisition of property, plant and equipment	48,529	75,011
Other tax payables	816	1,296
Other payables and accrued charges	11,674	23,080
	456,184	600,449

15. TRADE AND OTHER PAYABLES (Continued)

The following is an analysis of the trade payables by age, presented based on the invoice date at the end of the reporting period:

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Age		
0 to 30 days	74,889	86,169
31 to 60 days	26,951	34,434
61 to 90 days	14,946	16,375
91 to 180 days	8,524	33,937
Over 180 days	1,908	6,903
	127,218	177,818

The following is an analysis of the bills payable by age, presented based on the issue date at the end of the reporting period:

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Age		
0 to 30 days	42,020	36,521
31 to 60 days	169,502	76,775
61 to 90 days	40,000	38,279
91 to 180 days	16,425	171,669
	267,947	323,244

16. ADVANCE FROM A SHAREHOLDER

The advance from a shareholder is unsecured, interest-free and repayable on demand.

17. OBLIGATIONS UNDER FINANCE LEASES

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Current liabilities	35,606	27,215
Non-current liabilities	7,341	21,545
	42,947	48,760

It is the Group's policy to lease certain of its machineries under finance leases. The average lease term is 3 years (31 December 2012: 3 years). Interest rate underlying the obligations under finance leases is fixed at 6.76% (31 December 2012: 7.32%) per annum.

	Minimum lease payments		Present value of minimum lease payments	
	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Amounts payable under finance leases:				
Within one year	37,219	29,715	35,606	27,215
In more than one year but not more than two years	7,429	22,286	7,341	21,545
	44,648	52,001	42,947	48,760
Less: future finance charges	(1,701)	(3,241)	—	—
Present value of lease obligations	42,947	48,760	42,947	48,760
Less: Amount due for settlement within 12 months (shown under current liabilities)			(35,606)	(27,215)
Amount due for settlement after 12 months			7,341	21,545

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

18. BORROWINGS

During the current period, the Group obtained new bank loans amounting to RMB 497,410,000 (six months ended 30 June 2012: RMB867,876,000), and made repayments in bank loans amounting to RMB613,777,000 (six months ended 30 June 2012: RMB690,327,000).

During the current period, the Group obtained other borrowing from an independent third party amounting to RMB90,000,000 (six months ended 30 June 2012: RMB35,000,000), which is unsecured, carrying interest at fixed interest rate of 8% per annum and repayable within one year. The Group made repayments in other borrowings amounting to RMB15,000,000 (six months ended 30 June 2012: nil) during the period.

The proceeds from the above borrowings were used to finance the acquisition of property, plant and equipment and to fund working capital for operation.

19. DEFERRED INCOME

During the current period, amount of approximately RMB2,365,000 previously included in other payable as at 31 December 2012 has been reclassified as deferred income as the relevant conditions attached to the related grant have been fulfilled. The amount is amortized to income over the useful lives of related assets.

20. SHARE CAPITAL

Ordinary shares of HK$0.01 each

Issued and fully paid:

	Number of shares	**Amount** HK$
Ordinary shares of HK$0.01 each as at 1 January 2012 and 30 June 2012	1,560,000,000	15,600,000
Ordinary shares of HK$0.01 each as at 1 January 2013 and 30 June 2013	1,560,000,000	15,600,000

	30/06/2013 RMB'000	31/12/2012 RMB'000
Presented in the condensed consolidated financial statements as	**12,892**	12,892

21. CONVERTIBLE BOND

On 28 February 2013, the Company issued convertible bond at par to Peace Link Services Limited ("Peace Link"), a company incorporated in the British Virgin Islands which held 29.65% of the total issued capital of the Company, with principal amount of HK$449,400,000 (equivalent to RMB363,717,000) ("First CB"). The First CB bears no interest and is denominated in Hong Kong dollars ("HK$") with a conversion period of 20 years from the issue date and can be converted into ordinary shares of the Company at HK$0.214 per share, subject to the anti-dilution adjustments and certain events such as share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and other equity or equity derivative issues.

The holder(s) has the right to require the Company to redeem the outstanding convertible bond at an amount equals to the principal amount of the First CB prior to the twentieth anniversary of the date of issue of the First CB (the "First CB Maturity Date") in the following manner:

(i) up to 5% of the aggregate amount of the First CB, i.e. HK$22,470,000, during the period from the first anniversary of the date of issue of the First CB to the fifth anniversary of the date of issue of the First CB;

(ii) subject to (i) above, up to 10% of the aggregate amount of the First CB, i.e. HK$44,940,000, during the period from the first anniversary of the date of issue of the First CB to the tenth anniversary of the date of issue of the First CB; and

(iii) up to 100% of the aggregate amount of the First CB during the period from the date after the tenth anniversary of the date of issue of the First CB to the First CB Maturity Date.

The Company shall have the right to redeem the outstanding First CB at an amount equals to the principal amount of the First CB prior to the Maturity Date in the following manner:

(i) up to 5% of the aggregate amount of the First CB, i.e. HK$22,470,000, during the period from the first anniversary of the date of issue of the First CB to the fifth anniversary of the date of issue of the First CB;

(ii) subject to (I) above, up to 10% of the aggregate amount of the First CB, i.e. HK$44,940,000, during the period from the first anniversary of the date of issue of the First CB to the tenth anniversary of the date of issue of the First CB; and

(iii) up to 100% of the aggregate amount of the First CB during the period from the date after the tenth anniversary of the date of issue of the First CB to the First CB Maturity Date.

The First CB was designated as financial liabilities at fair value through profit or loss upon initial recognition. The First CB is measured at fair value with changes in fair value recognised in profit or loss.

21. CONVERTIBLE BOND (Continued)

The fair values of the First CB is estimated using binomial option pricing model and the inputs into the model at each respective date were as follows:

	28/02/2013	30/06/2013
Conversion price	HK$0.214	HK$0.214
Quoted market price	HK$1.200	HK$1.160
Expected volatility	73.05%	75.12%
Remaining life	20	19.68
Risk-free interest rate	1.450%	2.223%

The movements of the components of First CB during the period are set out below:

	Total RMB'000 (Unaudited)
Carrying amount at 1 January 2013	—
Issued during the period	363,717
Fair value loss	673,111
As at 30 June 2013	1,036,828

As at 30 June 2013, RMB17,890,000 of the First CB was are classified as current liability as the early redemption option gives the holder the right to require the Company to redeem 5% of the First CB within 12 months of the period end date.

Analyzed for reporting purpose as:

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Current liabilities	17,890	—
Non-current liabilities	1,018,938	—
	1,036,828	—

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair value as at 30/06/2013	Fair value as at 31/12/2012	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Convertible bond	Liabilities — RMB 1,036,828,000	N/A	Level 3	Discounted cash flow using key input as follows: contractual cashflows over the remaining contractual terms of the convertible bonds and discount rate that reflected credit risk of the Company. Binomial Option Pricing Model using key input as follow: spot price of the Company's share, conversion price, risk-free rate, time-to-maturity, discount rate that reflected credit specific to the Company and also the dilution impact of the convertible bond.	Discount rate that reflected the risk specific to the Company	The higher the discount rate, the lower the fair value

Except as detailed in the above table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

23. ACQUISITION OF A SUBSIDIARY

On 25 June 2013, the Group completed the acquisition of 99% interest in Suntech (Hami) Solar Power Generation Co., Ltd. ("Suntech Hami"), from an independent third party for a total consideration of RMB3,960,000. As Suntech Hami was at the development stage and had no integrated set of activities existed at the date of acquisition, the acquisition has been accounted for as acquisition of assets.

The net assets acquired in the transaction are as follows:

Net assets acquired:	RMB'000
Property, plant and equipment	4,981
Deposits for property, plant and equipment	792
Bank balances and cash	510
Other payables	(2,283)
	4,000
Non-controlling interests	(40)
Total consideration, satisfied by bank balances and cash	3,960
Net cash outflow arising on acquisition:	
Cash consideration paid	(3,960)
Bank balances and cash acquired	510
	(3,450)

24. CAPITAL COMMITMENTS

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Capital expenditure in respect of acquisition of land leases:		
— contracted for but not provided in the consolidated financial statements	22,195	22,195
— authorized but not contracted for	—	—
	22,195	22,195

24. CAPITAL COMMITMENTS (Continued)

	30/06/2013 RMB'000 (Unaudited)	31/12/2012 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment		
— contracted for but not provided in the consolidated financial statements	349,742	159,840
— authorized but not contracted for (Note)	50,120,760	1,203,259
	50,470,502	1,363,099

Note: The Company entered into a framework investment agreement (the "Tibet Framework Agreement") with Hainan Tibetan Autonomous Prefectural People's Government in Qinghai Province. Pursuant to the Tibet Framework Agreement, the Company will, subject to the entering of the further substantive agreements, establish a project company in Hainan Tibetan Autonomous Prefecture in Qinghai Province and make investment of not less than RMB50 billion within ten years.

25. RELATED PARTY DISCLOSURES

(a) Related party transactions

Saved as disclosed in the note 16 and 21, the Group had the following transactions with related parties during the current period.

Name of related party	Nature of transaction	Six months ended 30/06/2013 RMB'000 (Unaudited)	Six months ended 30/06/2012 RMB'000 (Unaudited)
Tiancheng International Auctioneer Limited ("Tiancheng") (Note)	Rental expense	601	—

Note: 90% of the total share capital of Tiancheng was held by a close family member of a director.

25. RELATED PARTY DISCLOSURES (Continued)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management of the Group during the current period was as follows:

	Six months ended 30/06/2013 RMB'000 (Unaudited)	30/06/2012 RMB'000 (Unaudited)
Basic salaries and allowances	5,087	3,522
Performance — related incentive bonuses	—	350
Retirement benefits scheme contributions	66	85
	5,153	3,957

The remuneration of directors and key executives is determined with reference to the performance of individuals and market trends.

26. EVENTS AFTER THE END OF THE REPORTING PERIOD

The following significant events took place subsequent to 30 June 2013:

(a) On 28 June 2013, the Company and Peace Link (the "subscriber") entered into the subscription agreement ("Subscription Agreement") in respect of the issue of the convertible bond at par in the principal amount of HK$930,500,000 (the "Second CB"). The Subscription Agreement is subject to the approval of shareholders other than the subscriber and the listing committee of the Hong Kong Stock Exchange for considering application for listing and the granting of listing. Relevant approvals have been obtained on 13 August 2013 and the convertible bond was issued on 19 August 2013.

The Second CB is denominated in HK$ with a conversion period of 10 years from the issue date and can be converted into ordinary shares of the Company at HK$0.922 per share, subject to adjustment for, among other matters, subdivision or consolidation of shares, capitalization of profits or reserves, capital distributions, right issue.

26. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

(a) (Continued)

The holder(s) of the Second CB shall have the right to require the Company to redeem the outstanding Second CB at an amount equals to the principal amount of the Second CB prior to the tenth anniversary of the date of issue of the Second CB (the "Second CB Maturity Date") in the following manner:

(i) up to 20% of the aggregate amount of the Second CB, i.e. HK$186,100,000, during the period from the first anniversary of the date of issue of the Second CB to the fifth anniversary of the date of issue of the second CB; and

(ii) up to 100% of the aggregate amount of the Second CB during the period from the date after the fifth anniversary of the date of issue of the Second CB to the Second CB Maturity Date.

The Company shall have the right to redeem the outstanding Second CB at an amount equals to the principal amount of the Second CB prior to the Second CB Maturity Date in the following manner:

(i) up to 20% of the aggregate amount of the Second CB, i.e. HK$186,100,000, during the period from the first anniversary of the date of issue of the Second CB to the fifth anniversary of the date of issue of the Second CB; and

(ii) up to 100% of the aggregate amount of the Second CB during the period from the date after the fifth anniversary of the date of issue of the Second CB to the Maturity Date.

As at the date of issue of this report, the Group is still in the process of assessing the financial effect of the Second CB.

(b) On 4 July 2013, Jiangxi Shunfeng Photovoltaic Investment Co., Ltd. ("Jiangxi Shunfeng"), a wholly-owned subsidiary of the Company, has entered into a project acquisition and cooperative development agreement (the "Framework Agreement") with Hareon Solar Technology Co., Ltd. ("Hareon Solar", not related to the Group) and its subsidiaries (collectively referred to as "Hareon Solar Group").

Pursuant to the Framework Agreement, Jiangxi Shunfeng will, subject to the entering of further substantive agreements, acquire from Hareon Solar Group the solar power station projects (the "Hareon Projects") with an aggregate annual production capability of 499 MW which are developed by Hareon Solar Group in the PRC by way of the equity transfer or joint venture (the "Potential Acquisition").

Jiangxi Shunfeng will deliver to Hareon Solar Group a performance guarantee in sum of RMB90,450,000, which was fully paid in July 2013. Upon entering into the substantive agreements in relation to the Potential Acquisition, such performance guarantee shall form part of acquisition cost of Jiangxi Shunfeng to Hareon Solar Group if the Potential Acquisition proceeds and the substantive agreements are signed by the parties. Otherwise, such performance guarantee will be refundable by Hareon Solar Group to Jiangxi Shunfeng upon Jiangxi Shunfeng's demand.

26. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

(b) (Continued)

On the same date, Jiangxi Shunfeng entered into the following substantive agreements (collectively referred to as the "Substantive Agreements") with Hareon Solar Group:

(i) the agreement which Jiangxi Shunfeng has conditionally agreed to acquire and Hareon Solar Group has conditionally agreed to sell its 90% equity interest in Xinghe Chaer Lake Hareon Ecological Solar Power Co., Ltd. (興和縣察爾湖海潤生態光伏發電有限公司), a limited liability company incorporated in Inner Mongolia autonomous region, the PRC at a consideration of RMB900,000.00 by cash;

(ii) the agreement which Jiangxi Shunfeng has conditionally agreed to acquire and Hareon Solar Group has conditionally agreed to sell its 95% equity interest in Jiuquan Hareon Solar Power Co., Ltd. (酒泉海潤光伏發電有限公司), a limited liability company incorporated in Gansu Province, the PRC at a consideration of RMB950,000 by cash;

(iii) the agreement which Jiangxi Shunfeng has conditionally agreed to acquire and Hareon Solar Group has conditionally agreed to sell its 95% equity interest in Turpan Haixin Solar Power Co., Ltd. (吐魯番市海鑫光伏發電有限公司), a limited liability company incorporated in Xinjiang Uygur Autonomous Region, the PRC at a consideration of RMB950,000 by cash;

(iv) the agreement which Jiangxi Shunfeng has conditionally agreed to acquire and Hareon Solar Group has conditionally agreed to sell its 95% equity interest in Jinghe Hareon Solar Power Co., Ltd. (精河縣海潤光伏發電有限公司), a limited liability company incorporated in Xinjiang Uygur Autonomous Region, the PRC at a consideration of RMB950,000 by cash;

(v) the agreement which Jiangxi Shunfeng has conditionally agreed to acquire and Hareon Solar Group has conditionally agreed to sell its 95% equity interest in Yuepuhu Hareon Solar Power Co., Ltd. (岳普湖海潤光伏發電有限公司), a limited liability company incorporated in Xinjiang Uygur Autonomous Region, the PRC at a consideration of RMB950,000 by cash;

(vi) the agreement which Jiangxi Shunfeng has conditionally agreed to acquire and Hareon Solar Group has conditionally agreed to sell its 95% equity interest in Keping Hareon Solar Power Co., Ltd. (柯坪海潤光伏發電有限公司), a limited liability company incorporated in Xinjiang Uygur Autonomous Region, the PRC at a consideration of RMB4,750,000 by cash.

The companies to be acquired by Jiangxi Shunfeng as mentioned in (i) to (vi) are principally engaged in the development of solar power station projects in Xinjiang Uygur Autonomous Region, Inner Mongolia Autonomous Region and Gansu Province.

26. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

(c) On 5 July 2013, Jiangxi Shunfeng, entered into the following agreements with Jetion Solar (China) Co., Ltd. ("Jetion Solar", not related to the Group) and Haiwei (Xinjiang) New Energy Co., Ltd ("CSIC Haiwei", not related to the Group):

(i) the agreement with Jetion Solar, pursuant to which Jiangxi Shunfeng has conditionally agreed to acquire and Jetion Solar has conditionally agreed to sell its 90% equity interest in Shufu Jetion Solar Power Co., Ltd. (疏附縣浚鑫科技光伏發電有限公司), at a consideration of RMB1,000,000 by cash;

(ii) the agreement with Jetion Solar, pursuant to which Jiangxi Shunfeng has conditionally agreed to acquire and Jetion Solar has conditionally agreed to sell its 90% equity interest in Shufu CNBM New Energy Solar Power Co., Ltd. (疏附縣中建材新能源光伏發電有限公司), at a consideration of RMB1,000,000 by cash;

(iii) the agreement with Jetion Solar, pursuant to which Jiangxi Shunfeng has conditionally agreed to acquire and Jetion Solar has conditionally agreed to sell its 90% equity interest in Yuli Jiangyin Jetion Solar Power Co., Ltd. (尉犁縣江陰浚鑫光伏發電有限公司), at a consideration of RMB900,000 by cash;

(iv) the agreement with Jetion Solar, pursuant to which Jiangxi Shunfeng has conditionally agreed to acquire and Jetion Solar has conditionally agreed to sell its 90% equity interest in Hami Jetion Solar Power Co., Ltd. (哈密浚鑫光伏發電有限公司), at a consideration of RMB1,800,000 by cash;

(v) the agreement with CSIC Haiwei, pursuant to which Jiangxi Shunfeng has conditionally agreed to acquire and CSIC Haiwei has conditionally agreed to sell its 90% equity interest in Yuli Haiwei New Energy Co., Ltd. (尉犁海為新能源有限公司), at a consideration of RMB450,000 by cash.

The companies to be acquired by Jiangxi Shunfeng as mentioned in (i) to (v) above are principally engaged in development of solar power station projects in Xinjiang Uygur Autonomous Region.

Definitions

In this report, unless the context otherwise requires, the following terms shall have the following meanings:

"Board"	Board of directors of the Company
"Company", "we"	Shunfeng Photovoltaic International Limited
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Directors(s)"	the director(s) of the Company
"Global Offering"	the global offering of 390,000,000 Shares by the Company by way of Hong Kong public offering and international offering on 13 July 2011
"Group"	the Company and its subsidiaries
"HKD", "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"JPY"	Japanese Yen, the lawful currency of Japan
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"MW"	megawatt, which equals to one million watt
"Period"	six months ended 30 June 2013
"PRC" or "China"	the People's Republic of China
"PV"	Photovoltaic
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"United States"	the United States of America