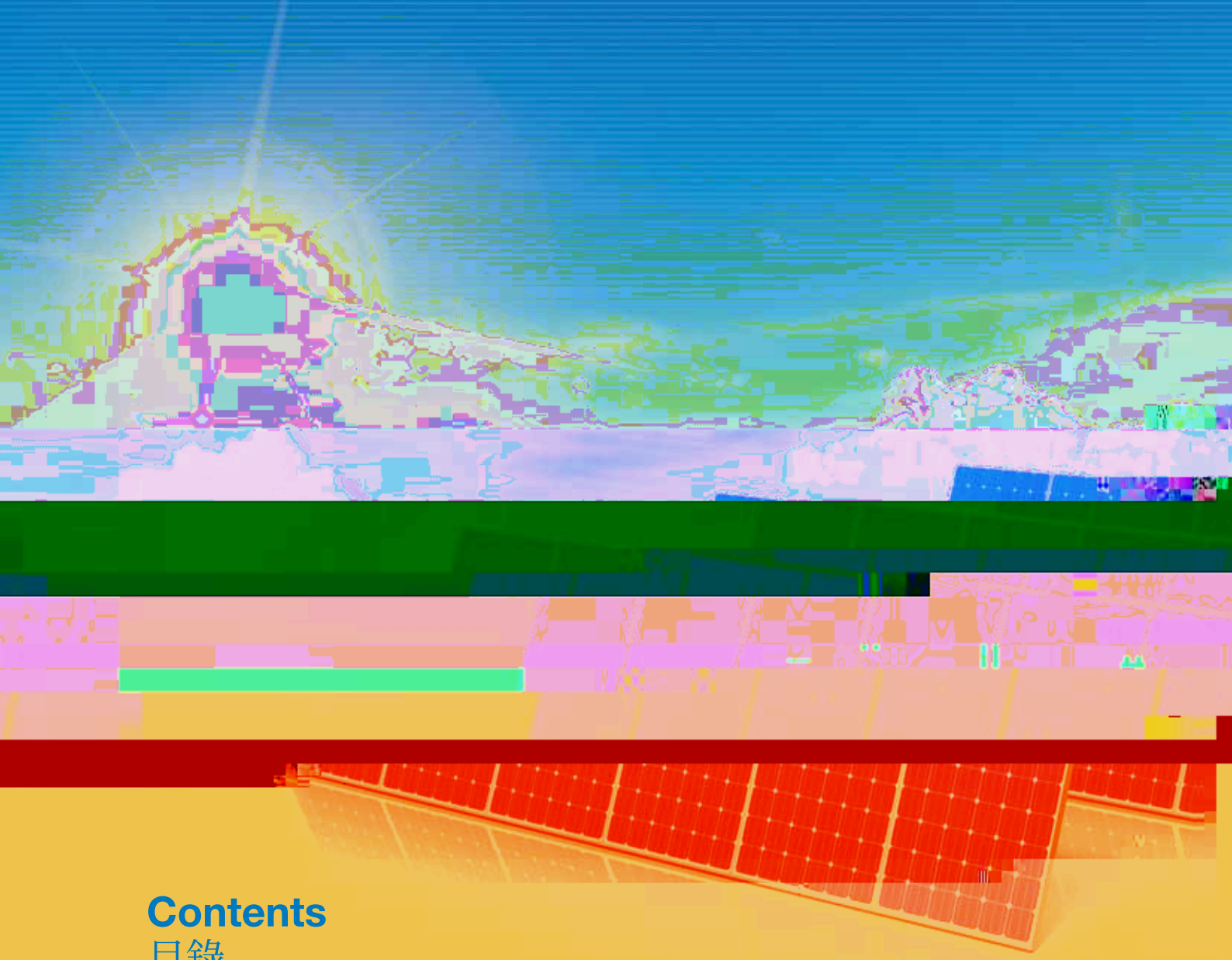

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Company Information
公司資料

Board of Directors
Executive Directors
Mr. TAN Wenhua (Chairman)
Mr. HSU You Yuan
Ms. ZHANG Liming
Mr. TAN Xin

Non-executive Directors
Mr. CHIAO Ping Hai

Independent Non-executive Directors
Mr. WONG Wing Kuen, Albert
Ms. FU Shuangye
Dr. LIN Wen
Mr. ZHANG Chun

董事會
執行董事
譚文華先生(主席)
許祐淵先生
張麗明女士
譚鑫先生

非執行董事
焦平海先生

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

Company Secretary
Chow Yiu Ming
(resigned with effect from 1 September 2012)
Cheung Lai Lai
(appointed with effect from 1 September 2012)

公司秘書
鄒耀明
(於二零一二年九月一日辭任)
張麗麗
(於二零一二年九月一日獲委任)

Audit Committee
Wong Wing Kuen, Albert (Chairman)
Fu Shuangye
Lin Wen
Zhang Chun

審核委員會
王永權(主席)
符霜葉
林文
張椿

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

薪酬委員會
符霜葉(主席)
王永權
林文
張椿
譚文華

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

提名委員會
林文(主席)
王永權
符霜葉
張椿
許祐淵

Auditor
KPMG

核數師
畢馬威會計師事務所

Principal Bankers

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

主要往來銀行

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

Registered Office

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

註冊辦事處

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

Head Office and Principal Place of Business in Hong Kong

Room 1402, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

香港總辦事處暨主要營業地址

香港
灣仔
港灣道25號
海港中心1402室

Principal Share Registrar

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Share Registrar

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

香港股份過戶登記處

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

Authorised Representatives

Hsu You Yuan
Cheung Lai Lai
(appointed with effect from 1 September 2012)
Chow Yiu Ming
(resigned with effect from 1 September 2012)

法定代表

許祐淵
張麗麗
（於二零一二年九月一日獲委任）
鄒耀明
（於二零一二年九月一日辭任）

Investor Relations Consultant

Aries Consulting Limited

投資者關係顧問

Aries Consulting Limited

Corporate Website

www.solargiga.com

企業網站

www.solargiga.com

Company Profile
公司簡介

Solargiga Energy Holdings Limited (the "Company", together with its subsidiaries collectively the "Group", Hong Kong stock code: 757, Taiwan stock code: 9157.TT) is a leading manufacturer of monocrystalline silicon solar ingots and wafers in the People's Republic of China (the "PRC"). The Group is also engaged in producing monocrystalline silicon solar cells and modules in recent years. Its products are important components of solar energy generation systems.

During the year, the Group was engaged in three main businesses:

(a) the manufacturing of, trading of and provision of processing services for polysilicon and monocrystalline and multicrystalline silicon solar ingots/wafers;

(b) the manufacturing and trading of monocrystalline silicon solar cells; and

(c) the manufacturing and trading of photovoltaic modules and installation of photovoltaic systems.

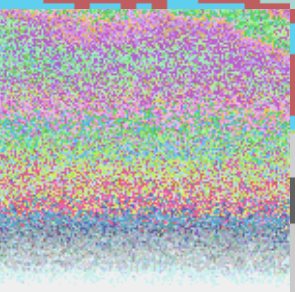
Currently, our integrated business model includes monocrystalline silicon solar ingot production with annual capacity of approximately 1.2GW, solar wafer production with annual capacity of approximately 900MW, as well as photovoltaic cells and modules production with annual capacity of approximately 300MW and 150MW, respectively. In addition, the Group operates polysilicon reclaiming and upgrading facilities in Shanghai and Jinzhou.

Solargiga will move a step closer to become one of the world's largest monocrystalline silicon solar ingot and wafer manufacturers as well as one of the key players in multicrystalline silicon solar product business. In addition, in view of the higher internal rate of return, the Group is seeking

Financial Highlights
財務摘要

(For the year ended 31 December)
（截至十二月三十一日止年度）

Five-Year Financial Summary　五年財務摘要



Chairman's Statement
主席報告書

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C
31 D 2012.

各位尊敬的股東：

本人謹代表陽光能源控股有限公司(「陽光能源」或「公司」，連同其附屬公司「本集團」)董事會同仁，向各位股東提呈本公司截至二零一二年十二月三十一日止年度之業績報告

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2011.

年內，全球
期間，於全
面功虧於簣
之優勢及規
高效益，逐
供者的「全
業務。

年內，由於市場供過於求令太陽能產品銷售單價大幅下滑，加上本集團
的營運策略以確保應收帳款收回安全性為先，並非衝高對外付運量，故在慎
戶出貨了，拉低了集團首三季的營業額及對外付運量。年內，集團的營
為人民幣996.8百萬元，對比二零一一年全年人民幣2,574.7百萬元減少
%。

TAN Wenhua
Executive Dir
譚文華，*執行*

Chairman's Statement
主席報告書

Nevertheless, the external shipment volume hit a record high in the fourth quarter of 2012, amounting to 191.54 MW as the Group further expanded and gained additional alliances with international groups, state-owned domestic enterprises and well-known customers since the fourth quarter of 2012. This demonstrates the continuous effort and capability of the Group in seizing busin6>Teipportunities despite the unfavorable busin6>Te environment.

然而，自去年第四季度起，由於集團更進一步擴大及新增與國際集團、國內央企和知名客戶合作，令第四季度單季度對外付運量已創歷史新高，達191.54兆瓦(MW)，可見集團在不利營運的環境中仍可把握發展機遇，固有實力毋容置疑。

Maintaining its leading position in industrial technology is one of the Group's development objectives. We currently endeavor to produce

集團以維繫產業技術領導地位為其中一個主要發展方針，我們現時致力生產N型硅錠，未來亦會增加該產品的生產及銷售，而集團生產的N型硅錠可用於製造轉換效率高達22-23%的太陽能產品。於回顧年內，N型硅錠銷售佔對外硅錠銷售的80.5%，而主要付運對象為日本客戶。而集團亦鞏固了優質及長期的日本客戶訂單，可見產品深得客戶支持。

與此同時，集團未來會加大發展業務，對資金的需求有所增加，為此，集團於二零一二年十二月進行供股，以每持有九股現有股份獲發一股發售股份之基準，公開發售合共249,130,047股發售股份，集資所得款項淨額為約90,000,000港元。集資所得將用以確保集團未來所需營運資金之充裕，確保集團業務的順利發展，實現穩定的增長。

展望未來，中國現時集中發展新能源，集團的發展將會跟隨國家的步伐，憑藉集團的大型規模，在太陽能產業正在重整洗盤底下，加上國家加緊對小型生產者的監控，這會對集團構成正面影響。而發展新能源被國家視為必要的發展方向，故我們對前景抱持平穩樂觀的態度。我們會積極發展投入研發、增加N型產品產出比、並同時嚴控成本開支、專注開發新客源，以及提升產品質素。

In addition, the Group also completed another equity financing activity by way of an open offer in March 2013. 498,260,094 offer shares were issued on the basis of one offer share for every five existing shares, raising net proceeds amounted to approximately HK$250,000,000. Together with the proceeds from the open offer in December 2012, the financial position of the Group has been strengthened and improved, which enables the Group to become the leader in the solar industry.

另外，集團亦在二零一三年三月完成另一項集資，以每持有五股現有股份獲發一股發售股份之基準，公開發售498,260,094股發售股份，集資所得款項淨額約為250,000,000港元。加上二零一二年十二月的公開發售，兩次的集資所得將對集團發展提供更有利及更佳的財務條件，使集團可在行業整合當中平穩過渡，最終成為領先的太陽能產業集團。

Finally, I, on behalf of the Board, would like to express my gratitude to the management and staff for their dedicated efforts and contributions that helped Solargiga resist the volatile environment arising from the industry integration and steadily move forward, as well as to shareholders for their continuous supports. In the coming year, Solargiga will continue to consolidate the Group's business and generate returns to shareholders.

最後，本人藉此機會代表董事會向管理層及員工的竭誠努力及貢獻衷心感謝，使陽光能源在行業整合的顛簸環境中能夠穩住發展步伐，向前邁進。同時，本人亦感謝股東們長期以來的鼎力支持，未來一年陽光能源會繼續鞏固集團內在業務，為股東帶來穩定的回報，以回饋股東的支持。

TAN Wen Hua
Chairman

主席
譚文華

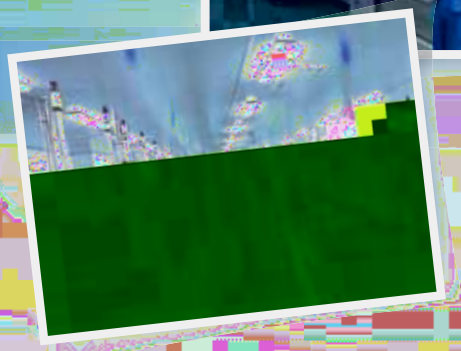
Hong Kong, 27 March 2013

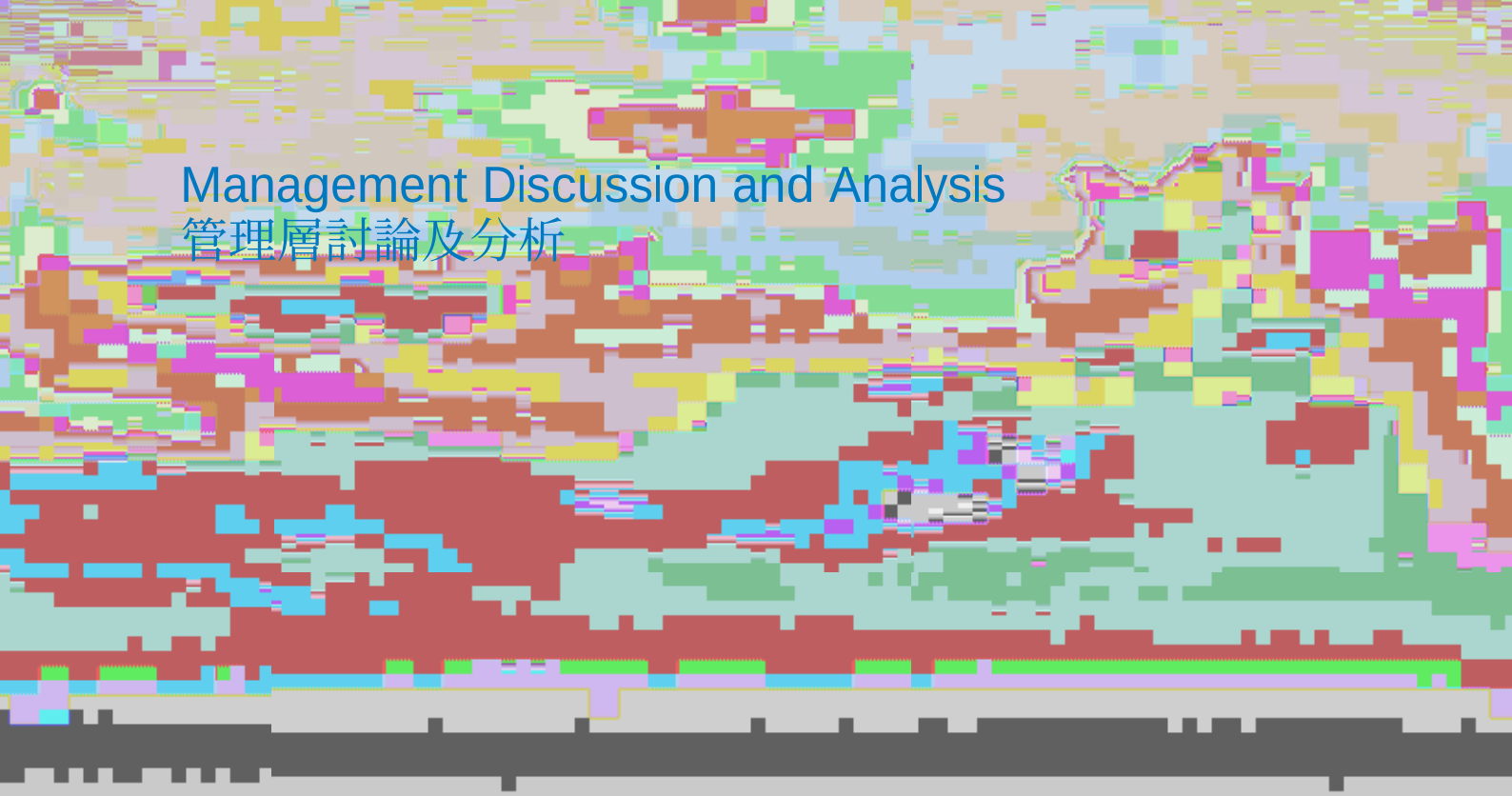
香港，二零一三年三月二十七日

Striving for Excellence

THROUGH FULL INTEGRATION

全面整合 追求卓越





Management Discussion and Analysis
管理層討論及分析

市場概覽

全球的太陽能行業仍然面對產能過剩、供過於求和上下游庫存攀升的問題，於二零一二年太陽能行業仍在繼續消化二零一零年和二零一一年的產能過度投資。據太陽能行業研調機構Solarbuzz最新報告指出，二零一二年太陽能發電需求出現放緩。需求僅由二零一一年的27.7吉瓦微升5%二零一二年的29吉瓦，為十年以來首次的低於10%，分析亦指這低於行業在二零一二年期望太陽能需求能夠超過30吉瓦的水平。

歐洲方面雖然二零一二年太陽能補貼政策減少，但歐洲，分析竣爟뇎紡号麉翉爟踂鷺摩粂暧矢쬩襘獶孷趙碰紈棗艦腿設拆

Market Overview (Continued)

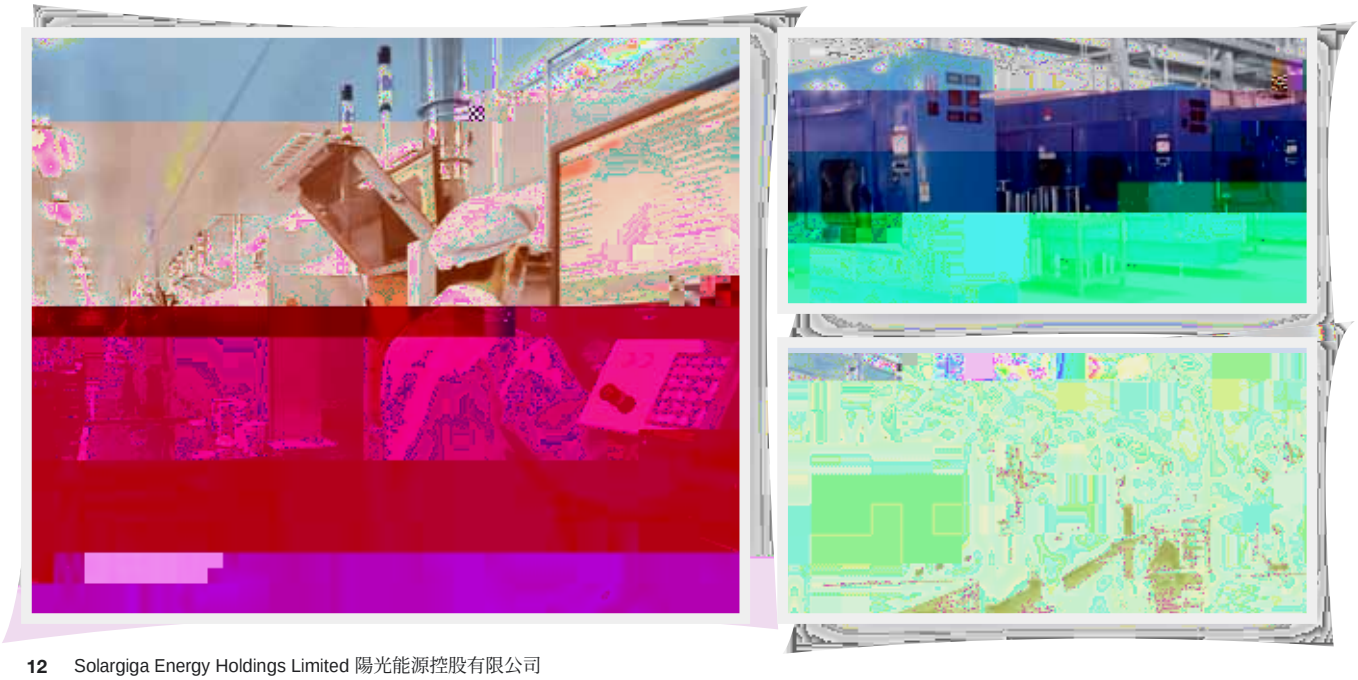
Asia is the second largest market of solar energy, which amounted to 8.69GW in 2012. The Chinese market grew rapidly in the second half of 2012. The Chinese Government indicated that photovoltaic power generation and application of solar thermal technology have been the fastest growing renewable energy technologies in the world in the last decade. Furthermore, it has clearly stated that photovoltaic technologies is designated as one of the major technological development projects in the Twelfth Five-Year Plan, and "Special Plan for Solar Power Generation Technology in Twelfth Five-Year Plan" has been formulated. The Chinese Government aims to lift its self-research and development capability and grasp the core technology, which will support China's transition from a major manufacturer in the solar industry to a rising power of the industry and create a favourable cycle for the development of the solar industry.

In respect of the U.S. market, the proportion of demand of the whole U.S. market in 2012 was 13%, amounted to 3.68GW. It is mainly attributable to California benefitting from the energy quota and subsidy policy of the renewable energy. In fact, the California market accounted for over one third of the whole U.S. market in 2012. According to the reports issued by Solar Energy Industries Association ("SEIA") and GTM Research, the federal and state governments of the U.S. subsidise the development of clean energy, which helps drive the growth of demand in solar energy, and the decrease in price of solar energy panels and electricity systems also helps trigger demand.

市場概覽(續)

太陽能第二大市場為亞洲，二零一二年的需求為8.69吉瓦。中國市場於二零一二年下半年的快速成長。中國政府表示太陽光伏發電和光熱利用是近十年來世界上發展最迅猛的可再生能源技術。此外，其明確列為中國「十二五」科技發展重點之一，制訂《太陽能發電科技發展「十二五」專項規劃》，以提升自主研發的能力，掌握核心技術，支撐中國從太陽能產業大國到產業強國的轉變，形成太陽能產業良性循環發展的環境。

至於美洲方面，二零一二年整個美洲太陽能需求佔比為13%，為3.68吉瓦，當中主要來自於加州，原因為受益於可再生能源配額標準和補貼政策。事實上，加州的市場需求在二零一二年佔了整個美洲地區的三分之一以上。至於根據太陽能產業協會(Solar Energy Industries Association, SEIA)和GTM Research公布報告，美國聯邦和各州政府補助發展潔淨能源，有助於驅動太陽能需求增長，且太陽能電池板和電力系統價格下跌，也利於帶動購買。



Operations Review

During the year under review, the Group established an effective and unique of "inverted pyramid" vertical integrated supply chain. It gradually completed the transformation of "Golden Cup" from a solar products materials manufacturer to a one-stop service provider of solar power projects. The Group aims to become a high quality and hi-tech company and distinguish itself from the other participants in the industry. The Group has already obtained 51 patents and 11 patents are in the process of application. The Group will continue to devote efforts in research and development. Besides, individual products of the Company including ingots, wafer, cells and modules within the supply chain can also be sold to third parties.

Silicon Ingot Business

During the year under review, the Group maintained its production capacity of silicon ingots to further explore its technological advantage. As at 31 December 2012, the Group was equipped with 589 monocrystalline ingot pullers and 4 multicrystalline casting furnaces, of which 397 monocrystalline ingot pullers were located in the Jinzhou production base while the remaining 192 monocrystalline ingot pullers were installed in the plant of Solargiga Energy (Qinghai) Company Limited ("Qinghai Solargiga"), which is 51% owned by the Group, in Xining, Qinghai Province. Among the 192 monocrystalline ingot pullers, 96 monocrystalline ingot pullers was put into mass production in December 2011 and another 96 monocrystalline ingot pullers will be put into trial procedures depend on the recovery of the market condition, resulted in the annual production capacity of silicon ingots of 1.2GW, further strengthen the Group's leading position in monocrystalline solar energy products industry.

營運回顧

於回顧年內，本集團建立了一條有效率及有特色的「倒三角形」垂直一體化供應鏈，逐步完成從一家太陽能產品製造商向太陽能發電項目一站式服務提供者的「金杯形」轉型。本集團旨在成為一家具高品質且有技術含量的公司，區隔市場。本集團已取得51項專利，送件審核中的專利有11項。本集團將在研發上繼續努力，且公司在供應鏈中個別產品如硅錠、硅片、電池及組件等皆可獨立對外銷售，在回顧年內均取得良好的營運成果。

硅錠業務

回顧年內，本集團繼續發揮自身的技術優勢，維持硅錠原有產能。於二零一二年十二月三十一日，本集團備有589台單晶爐及4台多晶爐，其中397台單晶爐配置於錦州生產基地，而餘下的192台單晶爐則安裝於本集團轄下控股51%的陽光能源(青海)有限公司(「青海陽光」)位於青海省西寧市的廠房，其中96台於二零一一年十二月量產，而另外96台將視市場景氣回復情況，陸續進行調試，使得硅錠年產能達1.2吉瓦，鞏固了本集團在單晶太陽能產品的行業領導地位。

Operations Review (Continued)

Silicon Ingot Business (Continued)

Using its "inverted pyramid" vertical integration supply chain model, the Group was able to fully utilise its upstream products for the production of its downstream products, and the upstream products including ingots, wafers and cells were also sold externally. The external shipment volume of silicon solar ingots of the Group was 77.59MW, representing a 45.1% drop compared to 141.24MW in 2011. Solargiga has gained a leading position in the monocrystalline silicon solar ingot manufacture industry in terms of technology, product quality and quantity. The products of the Group are the only monocrystalline silicon solar ingots in China for which national products exemption from quality surveillance inspection has been granted. Major products are silicon ingot of 5.5 inches to 8.7 inches in diameter. The photovoltaic conversion efficiency of its monocrystalline silicon products of the Group is also higher than the industry average. Apart from the traditional P-type products, the Group also provides N-type high-efficiency products with a photovoltaic conversion efficiency of 22–23%. During the year under review, the external shipment volume of N-type silicon ingots was about 62.48MW, representing an aggregate amount of approximately 80.5% of the external shipment volume of silicon ingots. N-type products are mainly targeted at Japanese customers.

Wafer Business

As at 31 December 2012, the Group has 121 wiresaws in the Jinzhou production base, with an annual production capacity of wafers reaching 900MW. In addition to the supply of wafers to the downstream cells and module, the Group also sells wafers to independent customers directly. The external shipment volumes of silicon solar wafers of the Group were 244.7MW during the year under review, representing an increase of 34.4% in total compared with 182.11MW in 2011. The increase was mainly due to the increase in the proportion of the wafer processing business during the year and the decrease in internal sales of wafer to the downstream business.

Cell Business

During the year under review, the manufacturing base of the Group in Jinzhou is equipped with production lines of solar cells with production capacity of 300MW and external shipment volume of solar cells was approximately 91.15MW, representing a decline of 35.1% in total volume compared with the external shipment volume of 138.90 MW of last year. It contributed a segment turnover of approximately RMB274.711 million (2011: RMB842.130 million), accounting for 27.6% of the Group's turnover (2011: 32.7%). The manufacturing of cells provides stable and high raw materials supply for the modules business of the Group, and enhances the overall operation efficiency. In addition, the products are not only supplied to the downstream manufacture of modules, but also sold to the customers in China and Japan.

營運回顧(續)

硅錠業務(續)

本集團藉由「倒三角形」垂直一體化供應鏈模式，使集團上游產品如硅錠、硅片、電池可對外銷售，增加收入。其中太陽能硅錠對外付運量約為77.59兆瓦，對比二零一一年141.24兆瓦的對外付運量，減少45.1%，主要原因是由於更多的硅錠對內銷售到下游業務。陽光能源在太陽能單晶硅錠製造方面不論技術、產品品質及數量方面，在中國均取得領先地位。集團的產品為中國唯一一家太陽能電池用單晶硅錠國家免檢產品，主導產品為直徑5.5英吋至8.7英吋硅錠。本集團的單晶硅產品的光電轉換率亦較行業水平為高，除了傳統的P型產品以外，集團更供應擁有22–23%的光電轉換效率的高效率N型產品。回顧年內N型硅錠對外付運量約62.48兆瓦，合計佔硅錠對外付運量約80.5%左右，N型產品客戶市場以日本為主。

硅片業務

截至於二零一二年十二月三十一日，本集團於錦州生產基地備有121台切片機，硅片年產能達900兆瓦。除了供應下游電池及組件生產所需硅片外，本集團亦銷售硅片給第三方客戶。本集團於回顧年內自產及加工太陽能硅片對外付運量約為244.7兆瓦，對比二零一一年182.11兆瓦的對外付運量，總量增加34.4%，主要原因是由於本年度硅片加工業務比重增加，硅片對內銷售到下游業務減少。

電池業務

於回顧年內，本集團於錦州生產基地備有年產能300兆瓦的太陽能電池生產線，太陽能電池對外付運量約91.15兆瓦，對比去年138.90兆瓦的對外付運量，總量減少35.1%，貢獻分部營業額約人民幣274.711百萬元(2011年：人民幣842.130百萬元)，佔集團營業額27.6%(2011年：32.7%)。集團生產的電池為集團模組業務提供穩定優質的原料，改善供應的整體經營效率。另外，產品除了提供集團下游組件生產之外，亦銷售給中國及日本客戶。

Operations Review (Continued)

Module Business

The Group has equipped with solar modules production line by holding a 51% interest in Jinzhou Jinmao Photovoltaic Technology Company Limited ("Jinzhou Jinmao"). The modules production base is currently located in Jinzhou with a production capacity of 150MW. During the year under review, the external shipment volume of solar modules of Jinzhou Jinmao was approximately 55.69MW, representing a decline of 38.9% in total volume compared with the external shipment volume of 91.09MW last year. The Group currently has obtained a stable order stream from its Chinese and Japanese customers. In addition to increasing the production capacity by enhancing the technology, the Group will also outsource the processing activity to meet the demands for modules from customers.

System Installation Business

Since the Group is mainly engaged in the manufacturing of solar products, it is not the Group's long term strategy to hold the photovoltaic power plant. Therefore, currently, among the photovoltaic power plants that the Group holds, being photostatic power plants in Qinghai Golmud, Liaoning Jinzhou and Germany, certain power plants under the Germany power plant project have been disposed of. The Group is seeking the opportunity to dispose of major power plant projects to generate working capital for the Group and for the construction of new plants for the production of solar modules.

Financial Review

Financial Review (Continued)

Gross loss/profit and gross loss/profit margin

For the year ended 31 December 2012, the Group recorded a gross loss of RMB291.384 million and a gross loss margin of 29.2%, as compared to a gross profit of RMB253.848 million and a gross profit margin of 9.9% for the year ended 31 December 2011.

Selling and distribution expenses

Selling and distribution expenses mainly comprised packaging expenses, freight charges and marketing and promotional expenses. Selling and distribution expenses decreased by 40% to RMB19.303 million for the year ended 31 December 2012 from RMB32.169 million in 2011, representing 1.9% of the total turnover of the Group (2011: 1.2%).

Administrative expenses

Administrative expenses mainly comprised staff costs and research and development expenses. The administrative expenses for 2012 amounted to RMB252.539 million, decreased by 6.2% as compared to RMB269.315 million in 2011, representing 25.3% of the turnover of the Group.

Finance costs

The finance costs of the Group increased from RMB71.949 million for the year ended 31 December 2011 to RMB110.967 million for the year ended 31 December 2012. Finance costs represented mainly the interest on bank loans, bonds and the municipal government loan. The increase in finance costs was due to the bonds issued on 24 August 2011 and the additional bank borrowings for business operations.

Income tax

Income tax credit was RMB23.538 million for the year ended 31 December 2012, while an income tax credit amounting to RMB10.021 million was recorded for the year ended 31 December 2011. Income tax credit recorded for the year ended 31 December 2012 was due to the reversal of temporary differences.

(Loss)/profit attributable to the equity shareholders

For the year ended 31 December 2012, the Group recorded a loss attributable to the equity shareholders of RMB1,276.554 million, while a profit attributable to the equity shareholders of RMB54.291 million was recorded for the year ended 31 December 2011.

財務回顧(續)

毛損／毛利及毛損／毛利率

截至二零一二年十二月三十一日止年度，本集團錄得人民幣291.384百萬元的毛損，毛損率為29.2%，而截至二零一一年十二月三十一日止年度則為毛利人民幣

Financial Review (Continued)

Inventory turnover days

The inventories of the Group comprised mainly raw materials, namely polysilicon, crucibles and other auxiliary raw materials, and finished goods. During the year ended 31 December 2012, the inventory turnover days of the Group were 111 days (2011: 59 days), an increase of 52 days from the corresponding period in 2011. The optimal inventory levels of the Group should be sufficient for approximately three months' consumption in the case of polysilicon and one month consumption for other auxiliary raw materials.

Trade receivable turnover days

For the year ended 31 December 2012, the trade receivable turnover days of the Group increased to 84 days (2011: 25 days). The increase in trade receivable turnover days was due to the extension of credit terms to customers during the year. Generally, the Group allows a credit period of 30 to 90 days for its customers.

Trade payable turnover days

Due to the lengthened cash collection cycle, the Group decided to extend payments to suppliers during the year under review. Accordingly, trade payable turnover days during the year ended 31 December 2012 increased to 72 days (2011: 22 days).

Liquidity and financial resources

The principal sources of working capital of the Group during the year under review were cash flows from bank borrowings. As at 31 December 2012, the current ratio (current assets divided by current liabilities) of the Group was 0.79 (31 December 2011: 1.22). The Group had net borrowings of RMB1,476.838 million as at 31 December 2012 (31 December 2011: RMB1,115.634 million), including cash at banks and on hand of RMB153.793 million (31 December 2011: RMB583.743 million), pledged bank deposits of RMB174.234 million (31 December 2011: RMB151.682 million), bank loans due within one year of RMB1,018.985 million (31 December 2011: RMB705.077 million), non-current bank loans of RMB484.5 million (31 December 2011: RMB845.035 million), non-current corporate bonds of RMB298.600 million (31 December 2011: RMB298.000 million) and non-current municipal loan of RMB2.78 million (31 December 2011: RMB2.947 million). The net debt to equity ratio (net debt divided by total equity) was 140.5% (31 December 2011: 49.1%). By excluding the effect of the reclassification of the non-current bank loans of RMB133.441 million from non-current liabilities to current liabilities which the waiver has been granted by the majority of the lenders subsequent to the end of reporting period, the Group's current ratio as at 31 December 2012 would be 0.85, bank loans due within 1 year would be RMB885.544 million and the non-current bank loans would be RMB617.941 million.

財務回顧(續)

存貨週轉日

本集團的存貨主要包括原材料(即多晶硅、坩堝及其他輔料)及製成品。於截至二零一二年十二月三十一日止年度，本集團存貨週轉期為111日(二零一一年：59日)，與二零一一年同期相比增加52日。本集團存貨的最佳水平應為多晶硅足夠使用約三個月及其他輔料足夠使用一個月。

應收貿易賬款週轉日

於截至二零一二年十二月三十一日止年度，集團應收貿易賬款週轉日增加至84日(二零一一年同期：25日)。貿

Financial Review (Continued)

Contingent liabilities

As at 31 December 2012, the Group had no material contingent liabilities.

Foreign currency risk

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

Human resources

As at 31 December 2012, the Group had 3,635 (31 December 2011: 3,655) employees.

財務回顧(續)

或然負債

於二零一二年十二月三十一日，本集團並無重大的或然負債。

外幣風險

本集團所承受的外匯風險主要來自以相關業務的功能貨幣人民幣以外貨幣進行的買賣交易以及現金及銀行存款，當中主要來自美元、歐元及港元。由於本集團以從客戶收取的外幣清償應付予供應商款額，故董事預期匯率變動不會構成任何重大影響。此外，董事在有需要的情況下，按即期匯率購入或出售美元及歐元，以處理短期的失衡情況，藉以確保淨風險維持於可接受的水平。

人力資源

於二零一二年十二月三十一日，本集團的僱員數目為3,635名(二零一一年十二月三十一日：3,655名)。

Corporate Governance Report
企業管治報告

Overview

The Board strived to uphold good corporate governance and adopted sound corporate governance practices. This report outlines the principles and the code provisions set out in the Code on Corporate Governance Practices (the "Code"), which was revised and took effect on 1 April 2012, as well as those of the former code, as contained in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") which have been adopted by the Group.

The Company has established the audit committee (the "Audit Committee") in compliance with the Code to oversee the financial reporting procedures and internal controls of the Group so as to ensure compliance with the Listing Rules. The Company has also established a nomination committee (the "Nomination Committee") and a remuneration committee (the "Remuneration Committee") (collectively, the "Board Committees") with defined terms of reference. The terms of reference of the Board Committees have been posted on the websites of Stock Exchange and the Company since March 2012.

The Group has implemented a compliance manual which covers areas such as ongoing compliance obligations of the Company and the Directors, business operations of the Group, financial management systems, human resources management systems, internal control systems, quality assurance and property management systems. In the opinion of the Board, all the code provisions set out in the Code were met by the Company throughout the financial year ended 31 December 2012.

Compliance with the Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the standard for securities transactions entered into by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards as set out in the Model Code and its code of conduct regarding Directors' securities transactions throughout the financial year ended 31 December 2012.

概覽

董事會致力維持良好的企業管治，採納理想的企業管治常規。本報告簡述已獲本集團採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四載列之企業管治常規守則(「守則」，經修訂及於二零一二年四月一日生效)所載之原則及守則條文以及先前守則所載列者。

本公司已根據守則的規定成立審核委員會(「審核委員會」)監督本集團財務報告程序及內部監控，確保遵守上市規則。本公司亦已成立提名委員會(「提名委員會」)及薪酬委員會(「薪酬委員會」)(統稱「董事委員會」)，均具有界定的職權範圍。董事委員會的職權範圍已自二零一二年三月起刊登於聯交所及本公司網站。

本集團亦制定遵例手冊，範圍涵蓋本公司及董事的持續遵例責任、本集團的業務營運、財務管理制度、人力資源管理制度、內部監控制度、質量保證及物業管理制度等方面。董事會認為，本公司於截至二零一二年十二月三十一日止財政年度內一直遵守守則載列的全部守則條文。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十載列的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易的準則。本公司已特別向全體董事查詢，全體董事確認，於截至二零一二年十二月三十一日止財政年度內，彼等均已符合標準守則及其有關董事進行證券交易操守守則規定的準則。

The Board of Directors

The Board takes the responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and monitoring the performance of the senior management. The Directors have the responsibility to act objectively in the interests of the Company. The Directors also assume the following responsibilities for corporate governance as set out in code provision D3.1 of the Code:

(a) to develop and review an issuer's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the issuer's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

(e) to review the issuer's compliance with the code and disclosure in the Corporate Governance Report.

Currently, the Board comprises nine Directors, including four executive Directors: Mr. TAN Wenhua (Chairman), Mr. HSU You Yuan (Chief Executive Officer), Ms. ZHANG Liming and Mr. Tan Xin, one non-executive Director: Mr. CHIAO Ping Hai and four independent non-executive Directors: Mr. WONG Wing Kuen, Albert, Ms. FU Shuangye, Dr. LIN Wen and Mr. ZHANG Chun. The names and biographical details of the Directors are set out on pages 30 to 34 of the annual report. The Board has a strong independent element in its composition with over half of the board members being non-executive Directors to ensure that all decisions of the Board are made in the best interest of the Group's long-term development.

The Board has delegated various responsibilities to the Board Committees. Further details of these committees are set out below on pages 24 to 26.

董事會

董事會負責監督本公司所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理制度、監察高級管理層的表現。董事有責任以本公司利益按客觀標準行事。董事亦承擔載於守則之守則條文第D3.1條有關企業管治之以下責任：

(a) 發展及檢討有關企業管治之發行人政策及常規並向董事會提供意見；

(b) 檢討及監察董事及高級管理人員之培訓及持續專業發展；

(c) 檢討及監察有關遵守法律及法規規定之發行人政策及常規；

(d) 發展、檢討及監察適用於僱員及董事之操守及遵守手冊之守則(如有)；及

(e) 檢討發行人是否遵守企業管治報告之守則及披露。

董事會現時由九名董事組成，包括四名執行董事(即譚文華先生(主席)、許祐淵先生(行政總裁)、張麗明女士及譚鑫先生)、一名非執行董事(即焦平海先生)及四名獨立非執行董事(即王永權先生、符霜葉女士、林文博士及張椿先生)。本年報內第30頁至第34頁載有董事的姓名及履歷詳情。董事會的組成具高度獨立成份，過半數董事會成員為非執行董事，確保董事會以本集團長遠發展的最佳利益，作出所有決策。

董事會已委派董事委員會履行各種職責。有關該等委員會的進一步詳情，載於下文第24頁至第26頁。

Board Meetings

The Company holds Board meetings regularly, at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of Board meeting will be sent to all Directors at least 14 days prior to a regular Board meeting. Reasonable notices will be given to the Directors for ad-hoc Board meetings. Directors may participate either in person or through electronic means of communications. The Company will provide relevant materials to all the Directors relating to the matters brought before the meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

During the year ended 31 December 2012, 7 Board meetings and 2 Shareholders meeting were held and the attendance of individual Directors at these meetings is set out below:

董事會會議

本公司的董事會會議每年定期最少舉行四次，大約每季舉行一次，在有需要時亦會召開臨時會議，商討整體策略以及本集團的營運及財務表現。全體董事將於舉行定期董事會會議前最少14天獲發董事會會議通告，而臨時董事會會議通告亦會於事前合理時間內送交予董事。董事可選擇親身或以電子通訊方式出席會議。本公司將於會議前向所有董事提供有關會議上討論事項的資料。所有董事將獲得充份資源以履行其職責，並可提出合理要求，按合適情況徵求獨立專業意見，費用由本公司承擔。所有董事均可將其關注的事宜加入董事會會議議程。

截至二零一二年十二月三十一日止年度內，董事會曾舉行7次董事會會議及2次股東大會，而個別董事出席有關會議的情況載列如下：

Name of Directors	Attendance/Number of Meetings Board meetings	 Shareholders meetings	董事姓名	出席率／會議次數 董事會會議	 股東大會
Executive Directors			執行董事		
Mr. TAN Wenhua *(Chairman)*	7/7	2/2	譚文華先生*(主席)*	7/7	2/2
Mr. HSU You Yuan *(Chief Executive Officer)*	7/7	2/2	許祐淵先生*(行政總裁)*	7/7	2/2
Ms. ZHANG Liming	1/7	0/2	張麗明女士	1/7	0/2
Mr. TAN Xin	5/7	0/2	譚鑫先生	5/7	0/2
Non-executive Director			非執行董事		
Mr. CHIAO Ping Hai	4/7	0/2	焦平海先生	4/7	0/2
Independent non-executive Directors			獨立非執行董事		
Mr. WONG Wing Kuen, Albert	6/7	0/2	王永權先生	6/7	0/2
Ms. FU Shuangye	6/7	0/2	符霜葉女士	6/7	0/2
Dr. LIN Wen	5/7	0/2	林文博士	5/7	0/2
Mr. ZHANG Chun	5/7	0/2	張椿先生	5/7	0/2

獨立非執行董事

所有獨立非執行董事均具備豐富的業界專業知識及管理經驗，能為董事會提供專業意見。彼等能提供獨立判斷，董事會作出決定時多會考劉Ш犨出育膦腦睡變哥曞Ｂ描爛餓擂勝暨彼蛹擂楪蘦僥豁暨疸晉刮广螳嗖濫嗋翎艦顧魎抬篷檜覽烤嗦擦嚇淼據要屹聲辰

Training and Professional Development

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Directors have been given relevant guideline materials to ensure that they are apprised of the latest changes in the commercial, legal and regulatory requirements in relation to the Company's businesses, and to refresh their knowledge and skills on the roles, functions and duties of a listed company director.

All Directors had provided a record of training they received during the year to the Company. According to the training records provided by the Directors, the trainings attended by them during the reporting period is summarised as follows:

Directors	Trainings on corporate governance and regulatory development
Executive Directors	
Mr. TAN Wenhua *(Chairman)*	✔
Mr. HSU You Yuan *(Chief Executive Officer)*	✔
Mr. ZHANG Limingj /F3 1 Tf -3a.8126 3.0588 TD (Trainings 48f001µ9 -1.5294 TD (regulatory development) 3the04.392 develNon-epment)Tj	

Chairman and Chief Executive Officer

Under code provision A.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer ("CEO") should be separated and should not be performed by the same individual. The role of the Chairman was performed by Mr. TAN Wenhua. Mr. TAN Wenhua is an executive Director who is responsible for the management of the Board and he also involves in the day-to-day management of the Group's business.

The role of CEO is performed by Mr. HSU You Yuan. The overall management of the Company was performed by the CEO, executive Directors and senior management of the Company. The executive Directors (Mr. HSU You Yuan, Mr. TAN Wenhua, Ms. ZHANG Liming and Mr. TAN Xin) who have extensive experience in the solar energy industry and their respective areas of profession, spearhead the Group's overall development and business strategies.

主席及行政總裁

根據守則條文第A.2.1條，主席及行政總裁(「行政總裁」)的角色應分立，不應由同一人擔任。譚文華先生履行主席一職。譚文華先生為執行董事，負責管理董事會及參與本集團業務之日常管理事宜。

行政總裁之角色由許祐淵先生擔任。行政總裁、本公司執行董事及高級管理層管理本公司整體運作。執行董事許祐淵先生、譚文華先生、張麗明女士及譚鑫先生，於太陽能產業及各自專業領域中擁有豐富的經驗，為本集團整體發展及業務策略擔當領導角色。

Board Committees

Audit Committee

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 27 February 2008 pursuant to Rules 3.21 to 3.23 and Appendix 14 of the Listing Rules. The primary duties of the Audit Committee include overseeing the financial reporting processes and internal control procedures of the Group, reviewing the financial information of the Group and considering issues relating to the external auditor. Currently, the Audit Committee consists of four independent non-executive Directors, namely, Mr. WONG Wing Kuen, Albert (Chairman), Ms. FU Shuangye, Dr. LIN Wen and Mr. ZHANG Chun.

董事委員會

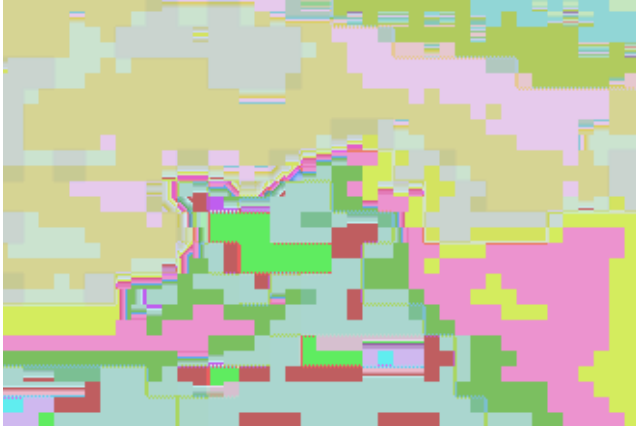
審核委員會

根據上市規則第3.21至3.23條及附錄十四的規定，本公司已根據董事於二零零八年二月二十七日通過的決議案成立審核委員會。審核委員會的主要職責包括監督本集團的財務報告程序及內部監控程序、審閱本集團財務資料，以及考慮有關外聘核數師的事宜。審核委員會現時由四名為獨立非執行董事組成，即王永權先生、符霜葉女士、林文博士及張椿先生。

In 2012, the Audit Committee met 2 times and the attendance of individual Directors at these meetings is set out below:

於二零一二年，審核委員會曾舉行2次會議，而個別董事出席有關會議的情況載列如下：

Name of Directors	Attendance/ Number of meetings	董事姓名	出席率／會議次數
Independent non-executive Directors		獨立非執行董事	
Mr. WONG Wing Kuen, Albert (Chairman)	2/2	王永權先生(主席)	2/2
Ms. FU Shuangye	2/2	符霜葉女士	2/2
Dr. LIN Wen	2/2	林文博士	2/2
Mr. ZHANG Chun	2/2	張椿先生	2/2



Board Committees (continued)

Nomination Committee

The Company established a Nomination Committee pursuant to a resolution of the Directors passed on 27 February 2008 pursuant to Appendix 14 of the Listing Rules. The primary duties of the Nomination Committee include making recommendations to the Board on the Company's policy and structure for recruiting Directors and senior management and on the establishment of formal and transparent procedures for nomination procedures and process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship and senior management. Currently, the Nomination Committee consists of five members; four of whom are independent non-executive Directors, namely, Dr. LIN Wen (Chairman), Mr. WONG Wing Kuen, Albert, Ms. FU Shuangye and Mr. ZHANG Chun, and one is an executive Director, namely, Mr. HSU You Yuan.

In 2012, the Nomination Committee met once and the attendance of individual Directors at the meeting is set out below:

Name of Directors	Attendance
Independent non-executive Directors	
Dr. LIN Wen (Chairman)	1/1
Mr. WONG Wing Kuen, Albert	1/1
Ms. FU Shuangye	1/1
Mr. ZHANG Chun	1/1
Executive Director	
Mr. HSU You Yuan	1/1

The Nomination Committee has discussed matters relating to the appointment of senior management members during the year. The Nomination Committee also considered and resolved that all the existing Directors shall be recommended to be retained by the Company.

董事委員會(續)

提名委員會

根據上市規則附錄十四的規定，本公司已根據董事於二零零八年二月二十七日通過的決議案成立提名委員會。提名委員會的主要職責包括就本公司董事及高級管理人員的聘用政策及架構以及就提名委員會就甄選推薦董事及高級管理人員候選人採納的提名程序及條件設立正式及具透明度的程序，向董事會作出推薦意見。現時，提名委員會由五名成員組成，當中四名為獨立非執行董事，即林文博士(主席)、王永權先生、符霜葉女士及張椿先生以及一名執行董事許祐淵先生。

於二零一二年，提名委員會曾舉行一次會議，而個別董事出席有關會議的情況載列如下：

董事姓名	出席率
獨立非執行董事	
林文博士(主席)	1/1
王永權先生	1/1
符霜葉女士	1/1
張椿先生	1/1
執行董事	
許祐淵先生	1/1

提名委員會年內已討論有關委任高級管理層成員的事宜。提名委員會亦審閱及決議所有現任董事須由本公司推薦留任。

Financial Reporting and Internal Control

Financial Reporting

The Board, supported by the Chief Financial Officer and the Finance Department of the Company, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, Hong Kong Financial Reporting Standards have been adopted and the appropriate accounting policies have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

Auditors' Remuneration

The performance and remuneration of the external auditors of the Company KPMG, have been reviewed by the Audit Committee. During the year ended 31 December 2012, the fees paid and payable to KPMG and other external auditors in respect of audit services amounted to approximately RMB2,075,000 (2011: RMB1,861,000). In addition, approximately RMB2,285,000 (2011: RMB767,000) was charged for other non-audit services.

Internal control

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. The Company conducted regular review to monitor the Company's internal management and operation during the year. Procedures have been designed to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, ensure compliance of applicable laws, rules and regulations.

In order to fulfil their fiduciary duties and duties of skill, care and diligence, the Directors will constantly seek advice and assistance from the Company's internal legal team and if necessary, seek advice from external legal advisors in Hong Kong and the PRC. The Company also adopted internal control procedures relating to, among others, signing authority and procedures since February 2007. The Company has an Audit and Legal Department consisting 3 members with extensive experience in the legal field. The main duties of the Audit and Legal department include:

- providing legal advice on major business decisions
- reviewing and drafting legal documents
- handling legal disputes
- advising on legal issues related to daily operations
- conducting internal training for compliance matters

財務報告及內部監控

財務報告

董事會在本公司首席財務官及財務部門的支援下，負責編製本公司及本集團的財務報表。本公司在編製財務報表時，已採納香港財務報告準則，並貫徹使用及應用適當的會計政策。董事會旨在於致股東年報及中期報告中，對本集團業績作出清晰平衡的評估，並適時作出披露及公佈。

核數師酬金

本公司的外聘核數師畢馬威會計師事務所(「畢馬威」)之表現及酬金已由審核委員會審閱。截至二零一二年十二月三十一日止年度，就審核服務已付及應付畢馬威及其他外聘核數師費用約人民幣2,075,000元(二零一一年：人民幣1,861,000元)。此外，約人民幣2,285,000元(二零一一年：人民幣767,000元)已計入其他非核數服務。

內部監控

董事會負責本集團的內部監控，並檢討監控的成效。本年度內，本公司對其內部管理及營運，進行定期檢討及監察。本公司已設計程序，確保保存適當的會計記錄，以便提供可靠的財務資料，以供內部使用或刊印發行，亦確保符合相關法律、規則及規例。

為履行其誠信責任及應有技能、謹慎和勤勉行事的責任，董事將不斷向本公司內部法律團隊徵求意見及協助，倘若有需要，則向香港及中國的外聘法律顧問徵求意見。此外，本公司亦自二零零七年二月起採納有關其中包括簽署授權及程序的內部監控程序。本公司設有審核及法律部門，由三名成員組成，在法律領域具備豐富經驗。審核及法律部門的主要職務包括：

- 就達成重大業務決策提供法律意見
- 審閱及草擬法律文件
- 處理法律爭議
- 就與日常營運有關的法律問題提供意見
- 就合規事宜提供內部培訓

Financial Reporting and Internal Control (continued)

Directors' responsibility on the financial statements

The Directors acknowledged their responsibility for preparing the financial statements for the year ended 31 December 2012, which were prepared in accordance with applicable accounting standards.

The reporting responsibility of the external auditor of the Company KPMG on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 65 to 66.

Going concern

Other than the events stated in note 1(b) to the Financial Statements on pages 75 to 78, there are no material uncertainties relating to events or conditions that cast significant doubt upon the Group's ability to continue as a going concern.

Investors Relations

The Company places strong emphasis on its communications

Shareholders' Rights 股東權利

Convening an extraordinary general meeting of the Company ("EGM")

Pursuant to article 58 of the articles of association of the Company, Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

There are no provisions allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law (2011 Revision) or the articles of association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Enquiries from Shareholders

Shareholders may send written enquiries, either by post or by facsimile, together with his/her contact details, such as postal address, email or fax, addressing to the head office of the Company at the following address or facsimile number:

Solargiga Energy Holdings Limited
Room 1402, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong
Attention to: Company Secretary

Fax: 852 3416 2111

Changes to Constitutional Documents

During the year ended 31 December 2012, there was no significant change in the Company's constitutional documents, and these documents are published on the websites of the Company and the Stock Exchange.

Directors and Senior Management Profile
董事和高級管理人員簡歷

Directors

Executive Directors

Mr. TAN Wenhua (譚文華), aged 56, Chairman of the Board. He was one of the founders of the Jinzhou Plants. He was conferred various honours including the Model for the Labour of the Building Materials Systems of the Nation, the medal of "May 1st" Labour of Liaoning Province, the Builders Merit award of Liaoning Province, the Outstanding Member of the China Communist Party, the Outstanding Entrepreneur of the Building Materials Industry of the Nation, the Venture Entrepreneur of the Liaoning Province and First Prize Entrepreneur of Jinzhou. He is also a guest professor of Liaoning University of Technology and Vice President of Bohai University. Prior to the founding of Jinzhou Plants, he was the Chairman of 錦州新華石英玻璃(集團)有限責任公司 (Jinzhou Xinhua Quartz Glass (Group) Co., Ltd.*) and the Director of 錦州一五五廠 (Jinzhou 155 Factory*), a state-owned factory engaging in quartz crucibles manufacturing. He has been granted a special subsidy by the State Council in 2004 for his contribution in engineering technology. He was elected as a delegate of the 11th National People's Congress of the People's Republic of China in 2008. He is the father of Mr. Tan Xin, the Executive Director of the Company and General Manager of the Jinzhou Plants. He is also the brother-in-law of Ms. Zhao Xiuzhen who is the Director of Corporate Management of the Jinzhou Plants.

Mr. HSU You Yuan (許祐淵先生), aged 58, the Chief Executive Officer of the Company. He joined the Group on 6 February 2007 and was appointed an executive Director on the same date. He graduated with a master degree in Business Administration from the Chinese Culture University in 1980. Prior to joining the Group, Mr. HSU was the Managing Director of Wafer Works Corp. ("WWX") from February 1998 to June 2003 and later became the Vice-Chairman of the board of WWX in June 2003. WWX is a manufacturer of silicon wafer for the semiconductor industry and is listed on the Gre Tai Securities Market in Taiwan since May 2002. He was the managing director of Silicon Technology Investment (Cayman) Corp. and was appointed the Chief Executive Officer of Solar Technology Investment (Cayman) Corp., responsible for overseeing, amongst others, WWX's investment in the solar energy industry. In March 2006, he was appointed a director and he was subsequently appointed as the Chairman of the board of Jinzhou Youhua in September 2006. Mr. HSU's previous work credentials also include acting as Deputy General Manager of Mosel Vitelic Inc., a company listed on the Taiwan Stock Exchange and as a member of the board of directors and Executive Vice-President of Mosel Vitelic (Hong Kong) Limited, a subsidiary of Mosel Vitelic Inc. Mr. HSU had also made contributions to non-commercial sectors in the past. He served as a researcher, a deputy director, and the director of Business Department of the Executive Yuan Development Fund of Taiwan (Note: Executive Yuan Development Fund is now known as National Development Fund, Executive Yuan). He was also a lecturer of Statistics and Managerial Mathematics for the Business Administration department at the Chinese Culture University.

董事

執行董事

譚文華先生，56歲，董事會主席。彼為錦州廠創辦人之一。彼曾獲全國建材系統勞動模範，遼寧省「五一」勞動獎章、遼寧省建設者獎章、優秀共產黨員、全國建材行業優秀企業家、遼寧省創業企業家及錦州市一等功企業家等多項殊榮。彼亦為遼寧工業大學客席教授及渤海大學副董事長。創辦錦州廠前，彼出任錦州新華石英玻璃(集團)有限責任公司董事長及國有石英坩堝製造廠錦州一五五廠董事長。國務院於二零零四年就譚先生對工程技術作出的貢獻，授予其為可享受國務院特殊津貼的專家。彼於二零零八年當選為中華人民共和國第十一屆全國人民代表大會代表。彼為譚鑫先生(為本公司執行董事及錦州廠總經理)的父親。彼亦為趙秀珍女士(為錦州廠企管總監)的妹夫。

許祐淵先生，58歲，本公司首席執行官。彼於二零零七年二月六日加盟本集團並於同日獲委任為執行董事。彼於一九八零年畢業於中國文化大學，獲頒企業管理碩士學位。加盟本集團前，許先生自一九九八年二月至二零零三年六月出任合晶科技股份有限公司(「合晶科技」)董事總經理，其後於二零零三年六月轉任合晶科技董事會副主席。合晶科技乃半導體硅片製造商，該公司自二零零二年五月起於台灣證券櫃檯買賣中心上市。彼歷任Silicon Technology Investment (Cayman) Corp.董事總經理，並曾獲委任為Solar Technology Investment (Cayman) Corp.首席執行官，專責監督(其中包括)合晶科技於太陽能產業的投資。於二零零六年三月，彼獲委任為錦州佑華董事，並隨後於二零零六年九月獲委任為該公司董事會主席。許先生曾出任臺灣證交所上市公司台灣茂矽電子股份有限公司副總經理及台灣茂矽電子股份有限公司附屬公司香港華智公司董事會成員兼執行副總裁。許先生過往亦對非商業領域作出貢獻。彼曾先後出任台灣的行政院開發基金管理委員會業務組研究員、副組長及組長(註：行政院開發基金管理委員會現已改名為行政院國家發展基金管理會(National Development Fund, Executive Yuan))。彼亦曾任中國文化大學企管系講師，講授統計學及管理數學。

Directors (continued)

Executive Directors (continued)

Ms. ZHANG Liming (張麗明), aged 55, the Director of Administration (行政總監) of the Jinzhou Plants. She joined the Original Group (i.e. the Group prior to the acquisition of Solar Technology Investment (Cayman) Corp. and its subsidiaries on 1 April 2003) responsible for overseeing, amongst others, the administration of the Original Group. She is also the chairman of the labour union of the Jinzhou Plants. She graduated from the Faculty of Economic Management of the Party School of the CPC Central Committee in 1996. Prior to joining the Group, she was appointed as the head of the supply division of 錦州石英玻璃儀器廠 (Jinzhou Quartz Glass Instrument Factory*), the director of management of 錦州京旭晶體材料製造有限責任公司 (Jinzhou Crystalline Material Co., Ltd.*) during 1993 to 1994 and the general manager of 錦州華明水晶工藝品有限公司 (Jinzhou Huaming Crystal Art & Craft Co., Limited*) during 1994 to 2003.

Mr. TAN Xin (譚鑫), aged 29, is the General Manager of the Jinzhou Plants. He joined the Group in July 2005. He holds a bachelor's degree of Marketing from the Macau University of Science and Technology, and a master's degree of Business Administration from University of East Anglia, the U.K. Mr. Tan is also a Standing Committee member of the Liaoning Province Youth Federation (遼寧省青年聯合會常務委員會成員), Vice President of the Liaoning Province Young Entrepreneurs Association (遼寧省青年企業家協會副會長

Directors (continued)

Independent Non-executive Directors

Mr. WONG Wing Kuen, Albert (王永權), aged 61, was appointed an

董事(續)

獨立非執行董事

王永權先生，61歲，二零零八年一月十二日獲委任為獨立非執行董事。王先生為英國特許秘書及行政人員公會，香港特許秘書公會，香港稅務學會，英國特許證券及投資學會，英國特許管理學會，英國國際會計師公會，香港註冊財務策劃師協會及英國愛爾蘭公認會計師公會資深會員以及香港證券專業學會，英國特許仲裁師學會，澳門會計師公會及英國蘇格蘭特許銀行家學會會員。王先生曾在美國一間上市公司明華集團國際有限公司出任董事兼首席執行官，直至二零零四年九月三十日止。截至二零零五年九月三十日止季度期間通過EDGAR在美國向公眾人士發佈的存檔資料，明華集團國際有限公司屬「小型企業發行商」及「處於發展階段的公司」。王先生現任職於一間香港私人專業顧問公司冠達企業咨詢有限公司的董事總經理，並自二零零四年七月起為在香港聯交所主板上市的亞太資源有限公司獨立非執行董事及於二零一二年三月為在英國倫敦交易所AIM市場上市的Rare Earths Global Limited之獨立非執行董事。

符霜葉女士，44歲，於二零零八年一月十二日獲委任為獨立非執行董事。符女士於一九九零年畢業於武漢大學，獲頒英國文學學士學位；於一九九七年獲頒中國政法大學法律系法律研究證書；及於一九九八年獲得中國律師資格。符女士曾任北京中倫文德律師事務所合夥人律師，目前出任北京中灝律師事務所管理合夥人律師，並擔任北京市司法局對外投資專業委員會委員。

Directors (continued)

Independent Non-executive Directors (continued)

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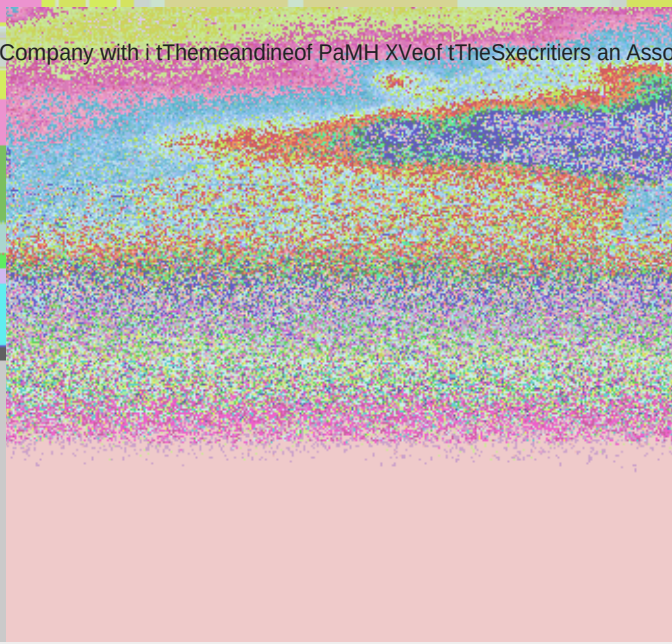

Senior Management (continued)

Mr. WANG Chun Wei (王君偉), aged 41, the Chief Financial Officer of the Group and was the Company's deputy general manager of China region,

Senior Management (continued)

Dr. CHEN Wei (陳蔚), aged 41, Special Assistant to the Chairman and Overseas Sales Representative. She joined the Group in July 2006. She obtained her Doctor of Philosophy in Management at Wuhan University of Technology (武漢理工大學) in 2005. Prior to joining the Group, she was appointed Vice-President of Xi'an International Trade Promotion Co. Ltd. (西安市外經貿商務展覽公司) and the Vice-President of International Transport Division of Shaanxi Machinery & Equipment Import & Export Corp. (陝西機械設備進出口公司國際貨運分公司).

Mr. DU Fusheng (杜福生), aged 68, is a full-time technical consultant on quality assurance. He joined the Group on 6 August 2008. He

Report of the Directors
董事會報告書

Charitable Donations

Charitable donations made by the Group during the year amounted to RMB674,000 (2011: RMB683,000).

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2012 are set out in note 26 to the financial statements.

Property, Plant and Equipment

Details of acquisitions and other movements in property, plant and equipment are set out in note 14 to the financial statements.

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 31 to the financial statements.

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 5 of the annual report.

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董事服務合約

概無擬於應屆股東週年大會重選連任的董事與本公司訂立任何不可於一年內免付賠償(法定賠償除外)予以終止的服務協議。

持續關連交易

本集團與多名根據上市規則被視為本公司關連人士的訂約方訂立多項協議。本公司確認，其已根據上市規則第J114A012

持續關連交易(續)

A. 獲豁免遵守獨立股東批准規定之持續關連交易(續)

錦州華榮物業管理有限公司(「錦州華榮」)用水及熱

Continuing Connected Transactions (continued)

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements (continued)

*Sale of wire slurry to Jin hou Jixing New Materials Co., (Jin hou 0ng Ne(rie19X T*nXGilJX.9)19.XX019X T*nued)* 4.5581 2 T6961Apr.016511, br 3.7307 -.06091Ma6761

Continuing Connected Transactions (continued)

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements (continued)

Sale of wire slurry to Jin hou Jixing New Materials Co., (Jin hou Jixing) and purchase of recycled abrasives and mineral oil from Jin hou Jixing (continued)

The New Jinzhou Jixing Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The basis of determining the prices for the Sale Transactions or the Purchase Transactions (as the case may be) is determined with reference to the prevailing market price of wire slurry or the Processed Materials (as the case may be). Other business terms of the Sale Transactions or the Purchase Transactions (as the case may be) will be determined on an individual order basis and the terms of which are on normal commercial terms and no less favourable to the Company than the terms available to or from independent third parties (as the case may be). Payments for the Sale Transactions or the Purchase Transactions (as the case may be) will be determined based on normal commercial terms to be agreed after arm's length negotiation between the Group and Jinzhou Jixing Group from time to time, including without limitation, payment by cash on delivery, payment with a credit term ranging from 30 to 90 days.

For the year ended 31 December 2012, the aggregate amount of the sale price paid by Jinzhou Jixing to the Group in relation to the sale of wire slurry amounted to approximately RMB7,906,000 (2011: RMB22,725,000).

For the year ended 31 December 2012, the aggregate amount of the purchase price paid by the Group to Jinzhou Jixing in relation to the purchase of recycled abrasives and mineral oil amounted to approximately RMB17,130,000 (2011: RMB11,889,000).

Based on the Directors' estimate of the Sales Transaction for the two years ending 31 December 2014, it is expected that the following annual cap amounts receivable by the Group under the Sales Transactions will not exceed:

(a) RMB42,500,000 for the year ending 31 December 2013; and

(b) RMB42,500,000 for the year ending 31 December 2014.

持續關連交易(續)

A. 獲豁免遵守獨立股東批准規定之持續關連交易(續)

銷售砂漿予錦州吉興新材料有限公司(「錦州吉興」)並向錦州吉興購買循環再用切割砂及切割液(續)

新錦州吉興協議乃於一般及日常業務過程中按正常商業條款訂立。銷售交易或購買交易(視情況而定)的價格乃參考砂漿或加工物料(視情況而定)的當前市價釐定。銷售交易或購買交易(視情況而定)的其他商業條款將按個別訂單基準釐定，其條款按正常商業條款訂立，且不遜於本公司向或獲獨立第三方提供(視情況而定)的條款。銷售交易或購買交易(視情況而定)之付款將按本集團與錦州吉興集團經公平磋商後不時協定的正常商業條款釐定，包括但不限於以貨到支付現金之形式、授予介乎30至90日不等之信貸期。

截至二零一二年十二月三十一日止年度，由錦州吉興向本集團支付有關銷售砂漿的售價總額為數約人民幣7,906,000元(二零一一年：人民幣22,725,000元)。

截至二零一二年十二月三十一日止年度，由本集團向錦州吉興支付有關購買循環再用切割砂及切割液的購買價總額為數約人民幣17,130,000元(二零一一年：人民幣11,889,000元)。

按照董事估計截至二零一四年十二月三十一日止兩個年度的銷售交易，預計本集團根據銷售交易應收年度上限金額將：

(a) 就截至二零一三年十二月三十一日止年度不超過人民幣42,500,000元；及

(b) 就截至二零一四年十二月三十一日止年度不超過人民幣42,500,000元。

Continuing Connected Transactions (continued)

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements (continued)

Sale of wire slurry to Jin hou Jixing New Materials Co., (Jin hou Jixing) and purchase of recycled abrasives and mineral oil from Jin hou Jixing (continued)

The proposed annual caps under the Sale Transactions are determined with reference to, among other things, (i) the Group's silicon solar wafer production capacity as at 19 December 2011; (ii) the anticipated increase in Jinzhou Jixing's demand for wire slurry; and (iii) the average market price of wire slurry sold to an independent third party and Jinzhou Jixing in 2011.

Based on the Directors' estimate of the Purchase Transaction for the two years ending 31 December 2014, it is expected that the following annual cap amounts payable by the Group under the Purchase Transactions will not exceed:

(a) RMB22,000,000 for the year ending 31 December 2013; and

(b) RMB22,000,000 for the year ending 31 December 2014.

The proposed annual caps under the Purchase Transactions are determined with reference to, among other things, (i) the actual quantity of abrasives and mineral oil used by the Group in 2010; (ii) the Group's silicon solar wafer production capacity as at 19 December 2011; (iii) the average recycled rate of abrasives and mineral oil, respectively, and hence the estimated quantity of recycled abrasives and mineral oil to be produced by Jinzhou Jixing from the processing of wire slurry to be supplied by the Group; and (iv) the estimated price of recycled abrasives and mineral oil to be purchased from Jinzhou Jixing which are determined by reference to the market price of brand new abrasives and mineral oil purchased from Independent Third Parties and the processing fee of wire slurry charged by independent third parties.

持續關連交易(續)

A. 獲豁免遵守獨立股東批准規定之持續關連交易(續)

銷售砂漿予錦州吉興新材料有限公司(「錦州吉興」)並向錦州吉興購買循環再用切割砂及切割液(續)

銷售交易項下的建議年度上限乃參考(其中包括):(i)本集團於二零一一年十二月十九日的太陽能硅片產能;(ii)錦州吉興對砂漿需求的預期升幅;及(iii)於二零一一年向一名獨立第三方及錦州吉興出售砂漿的平均市價後釐定。

按照董事估計截至二零一四年十二月三十一日止兩個年度的購買交易,預計本集團根據購買交易應付年度上限金額將:

(a) 就截至二零一三年十二月三十一日止年度不超過人民幣22,000,000元;及

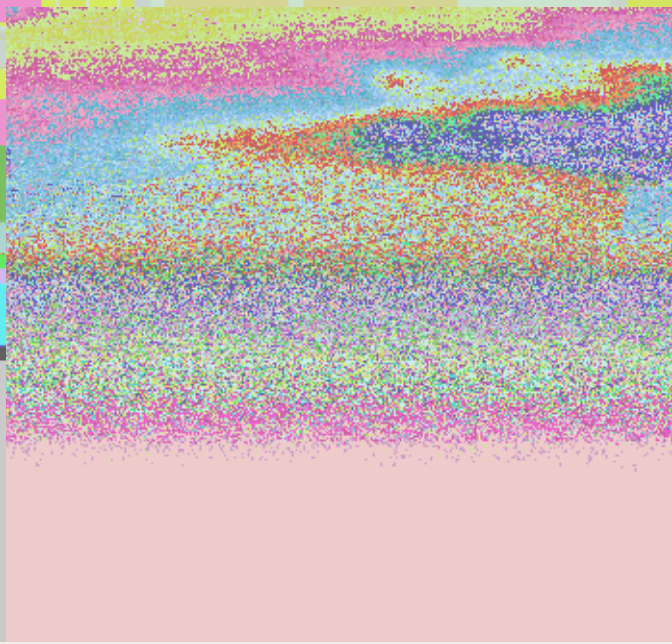
(b) 就截至二零一四年十二月三十一日止年度不超過人民幣22,000,000元。

購買交易項下的建議年度上限乃參考(其中包括):(i)本集團於二零一零年使用切割砂及切割液的實際數量;(ii)本集團於二零一一年十二月十九日的太陽能硅片產能;(iii)切割砂及切割液各自的平均循環再用率,繼而估計錦州吉興自本集團將供應之砂漿加工而將予生產之循環再用切割砂及切割液數量;及(iv)估計將向錦州吉興採購之循環再用切割砂及切割液價格(乃參考向獨立第三方採購全新切割砂及切割液之市價及獨立第三方所收取之砂漿加工費而釐定)後釐定。

Continuing Connected Transactions (continued)

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements (continued)

Sale of wire slurry to Jin hou Jixing New Materials Co., (Jin hou Jixing) and purchase of recycled abrasives and mineral oil from Jin hou Jixing (continued)



Continuing Connected Transactions (continued)

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements (continued)

Provision of services for re-coating and re-grooving guide rollers by 錦州京鑫半導體材料有限公司 Jin hou Jingxin Semi-conductor Material Company Limited (Jin hou Jingxin) (continued)*

On 19 December 2011, the Company has entered into a new framework agreement (the "New Jingxin Guide Rollers Service Agreement") with Jinzhou Jingxing to renew the pre-existing agreement as well as to determine the annual cap amounts for the transactions for the years ending 31 December 2014. The term of the New Jingxin Guide Rollers Service Agreement has taken effect on 1 January 2012 and will expire on 31 December 2014.

The New Jingxin Guide Rollers Service Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The basis of determining the prices for the transactions under the New Jingxin Guide Rollers Service Agreement are determined with reference to the prevailing market price for the provision of service for re-coating and re-grooving guide rollers. The terms of the New Jingxin Guide Rollers Service Agreement and the transaction contemplated thereunder will be determined on an individual order basis and the terms of which are on normal commercial terms and no less favourable to the Company than the terms available from independent third parties. Payments for the transactions under the New Jingxin Guide Rollers Service Agreement will either be cash on delive(Agng the payments)5.5( )]TJ T* .0143Tw (on noc3 Titt third s the terms1ction Rollers Semayent than dependthird parties. Paym

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Continuing Connected Transactions (continued)

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements (continued)

Provision of services for re-coating and re-grooving guide rollers by Jin hou Youlin Semi-Conductor Material Co., Ltd. (Jin hou Youlin)

On 19 December 2011, the Company entered into a framework agreement with Jinzhou Youlin (the "Youlin Guide Rollers Service Agreement") pursuant to which the Company has agreed to engage or procure its subsidiaries to engage Jinzhou Youlin for the provision of services for re-coating and re-grooving guide rollers which is necessary for slicing of silicon solar ingots into silicon solar wafers. The term of the Youlin Guide Rollers Service Agreement has taken effect on 1 January 2012 and will expire on 31 December 2014.

The Youlin Guide Rollers Service Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The basis of determining the prices for the transactions under the Youlin Guide Rollers Service Agreement are determined with reference to the prevailing market price for the provision of service for re-coating and re-grooving guide rollers. The terms of the Youlin Guide Rollers Service Agreement and the transaction contemplated thereunder will be determined on an individual order basis and the terms of which are on normal commercial terms and no less favourable to the Company than the terms available from independent third parties. Payments for the transactions under the Youlin Guide Rollers Service Agreement will either be cash on delivery or on such credit terms as may be agreed between the parties on normal commercial terms and no less favourable to the Company than terms available from independent third parties. It is agreed that Jinzhou Youlin will grant to the Group a credit period of 30 to 90 days.

For the year ended 31 December 2012, the aggregate amount of the service fee paid by the Group to Jinzhou Youlin under the Youlin Guide Rollers Service Agreement amounted to approximately RMB2,699,000.

Based on the Directors' estimate of the transaction under the Youlin Guide Rollers Service Agreement for the two years ending 31 December 2014, it is expected that the following annual cap amounts payable by the Group will not exceed:

(a) RMB3,500,000 for the year ending 31 December 2013; and

(b) RMB3,500,000 for the year ending 31 December 2014.

持續關連交易(續)

A. 獲豁免遵守獨立股東批准規定之持續關連交易(續)

錦州佑林半導體材料有限公司(「錦州佑林」)提供導輪的塗覆及開槽服務

於二零一一年十二月十九日，本公司與錦州佑林訂立框架協議(「佑林導輪服務協議」)，據此，本公司已同意聘用或促使其附屬公司聘用錦州佑林提供切割太陽能硅錠為太陽能硅片所需的導輪的塗覆及開槽服務。佑林導輪服務協議之條款已於二零一二年一月一日生效，並將於二零一四年十二月三十一日屆滿。

佑林導輪服務協議乃於一般及日常業務過程中按正常商業條款訂立。佑林導輪服務協議項下交易的價格乃參考提供導輪的塗覆及開槽服務當前市價釐定。佑林導輪服務協議及據其擬進行交易之條款將按個別訂單基準釐定，而其條款按正常商業條款訂立，且不遜於本公司獲獨立第三方提供的條款。佑林導輪服務協議項下之交易以貨到收取現金形式或由訂約各方按正常商業條款可能協定的有關信貸條款，且不遜於本公司獲獨立第三方提供的條款付款。訂約方已協定錦州佑林將向本集團授予介乎30至90日不等之信貸期。

截至二零一二年十二月三十一日止年度，本集團根據佑林導輪服務協議已支付錦州佑林的服務費總額約為人民幣2,699,000元。

按照董事估計截至二零一四年十二月三十一日止兩個年度佑林導輪服務協議項下的交易，預計本集團應付年度上限金額將：

(a) 就截至二零一三年十二月三十一日止年度不超過人民幣3,500,000元；及

(b) 就截至二零一四年十二月三十一日止年度不超過人民幣3,500,000元。

Continuing Connected Transactions (continued)

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements (continued)

Provision of services for re-coating and re-grooving guide rollers by Jin hou Youlin Semi-Conductor Material Co., (Jin hou Youlin) (continued)

The proposed annual caps under the Youlin Guide Rollers Agreement are determined with reference to, among other things, (i) the Group's silicon solar wafer production capacity as at 19 December 2011; and (ii) the projected service fee for re-coating and re-grooving guide rollers in the next three financial years.

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this report, Youlin Semi-conductor is owned as to 87% by Ms. Chen Man, the daughter-in-law of Mr. Tan Wenhua, and as to 13% by independent third parties. Jinzhou Youlin is therefore an associate of Mr. Tan Wenhua and hence a connected person of the Company. Accordingly, the transactions under the Youlin Guide Rollers Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Consequently, the transactions under the Youlin Guide Rollers Service Agreement constitute continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules and are exempt from the independent shareholders' approval requirement but are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

B. Non-exempt Continuing Connected Transactions

The following transactions constituted non-exempt continuing connected transactions for the Company and are thus subject to reporting, announcement and independent shareholders' approval requirements under Rules 14A.45 to 14A.48 of the Listing Rules:

Supply of graphite materials by 錦州昌華碳素制品有限公司 (Jinzhou Changhua Carbon Products Company Limited*) ("Jinzhou Changhua") and supply of quartz crucibles by 錦州佑鑫電子材料有限公司 (Jinzhou Youxin Electronic Materials Co., Ltd.*) ("Jinzhou Youxin")

持續關連交易(續)

A. 獲豁免遵守獨立股東批准規定之持續關連交易(續)

錦州佑林半導體材料有限公司(「錦州佑林」)提供導輪的塗覆及開槽服務(續)

佑林導輪服務協議項下的建議年度上限乃參考(其中包括):(i)本集團於二零一一年十二月十九日的太陽能硅片產能;及(ii)預期於未來三個財政年度導輪的塗覆及開槽的服務費後釐定。

據董事作出一切合理查詢後所深知、全悉及確信,於本報告日期,佑林半導體分別由譚文華先生之媳婦陳曼女士及獨立第三方擁有87%及13%權益。錦州佑林因而為譚文華先生之聯繫人士,繼而為本公司之關連人士,故佑林導輪服務協議項下之交易構成本公司於上市規則第14A章項下之持續關連交易。因此,根據上市規則第14A.34條,佑林導輪服務協議項下之交易構成本公司之持續關連交易,並獲豁免遵守獨立股東批准之規定,惟須遵守上市規則第14A.45至第14A.47條所載的申報及公告批准規定。

B. 不獲豁免之持續關連交易

下列交易構成本公司之不獲豁免持續關連交易,故本公司須遵守上市規則第14A.45至第14A.48條的申報、公告及獨立股東批准規定:

錦州昌華碳素制品有限公司(「錦州昌華」)供應石墨材料及錦州佑鑫電子材料有限公司(「錦州佑鑫」)供應石英坩堝

Continuing Connected Transactions (continued)

B. Non-exempt Continuing Connected Transactions (continued)

On 2 December 2009, the Company entered into a framework supply agreement with Jinzhou Changhua and Jinzhou Youxin pursuant to which Jinzhou Changhua and Jinzhou Youxin agreed to supply graphite materials and quartz crucibles respectively to the Company or its subsidiaries as requested by them from time to time. Such graphite materials and quartz crucibles serve as the essential materials for the Group's production of silicon ingots. The supply agreement commenced on 1 January 2010 and expired on 31 December 2012. Formal purchase agreements (by way of purchase orders and confirmations) were entered into between the Group, Jinzhou Changhua and Jinzhou Youxin (as the case may be) with the detailed terms and conditions as specified in the relevant purchase orders. The purchase arrangement under the supply agreement has been conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

On 19 October 2012, the Company has entered into a new supply agreement (the "New Materials Supply Agreement") with Jinzhou Changhua to renew the pre-existing agreement as well as to determine the annual cap for the transactions for the three years ending 31 December 2015. The Company has obtained the approval from its independent shareholders in respect of the New Materials Supply Agreement on 27 December 2012. Upon approval, the term of the New Materials Supply Agreement commenced on 1 January 2013 and will expire on 31 December 2015.

The New Materials Supply Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The purchase price payable by the Group to Jinzhou Changhua under the New Materials Supply Agreement is estimated based on the expected purchase amount of the graphite materials and is comparable to the prevailing market prices.

For the year ended 31 December 2012, the aggregate amount of the purchase price paid by the Group to Jinzhou Changhua in relation to the sale and purchase of graphite materials amounted to approximately RMB34,213,000 (2011: RMB55,133,000).

For the year ended 31 December 2012, the aggregate amount of the purchase price paid by the Group to Jinzhou Youxin for the purchase of quartz crucibles amounted to approximately RMB27,578,000 (2011: RMB110,886,000).

持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

於二零零九年十二月二日，本公司與錦州昌華及錦州佑鑫訂立框架供應協議，據此，錦州昌華及錦州佑鑫同意根據本公司或其附屬公司之不時要求，向彼等分別供應石墨材料及石英坩堝。本集團採用該等石墨材料及石英坩堝作為生產硅錠的必要材料。供應協議由二零一零年一月一日起開始，並已於二零一二年十二月三十一日屆滿。本集團、錦州昌華及錦州佑鑫已訂立正式購買協議(以購買訂單及確認之形式)，其詳細條款及條件載列於相關購買訂單內。供應協議項下購買安排乃以一般商業條款及不遜於獨立第三方提出的條款進行。

於二零一二年一月十九日，本公司與錦州昌華及錦州佑鑫訂立新供應協議(「新物料供應協議」)重續前現有協議，並就截至二零一五年十二月三十一日止三個年度的交易釐定年度上限。本公司已於二零一二年十二月二十七日就新物料供應協議獲其獨立股東批准。獲批准後，新物料供應協議已於二零一三年一月一日開始，並將於二零一五年十二月三十一日屆滿。

新物料供應協議乃於本集團一般及日常業務過程中按正常商業條款訂立。根據新物料供應協議，本集團應付予錦州昌華的購買價，乃參照石墨材料及石英坩堝的預期採購量估計，並與當時市價相若。

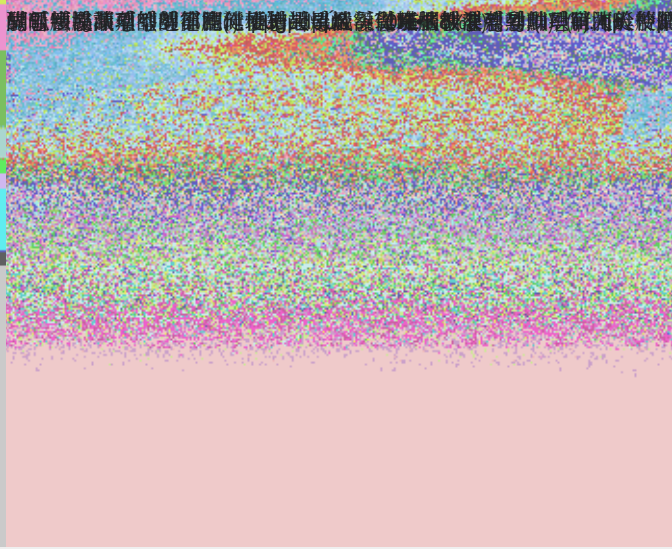
截至二零一二年十二月三十一日止年度，本集團就買賣石墨材料向錦州昌華支付之採購價總額約為人民幣34,213,000元(二零一一年：人民幣55,133,000元)。

截至二零一二年十二月三十一日止年度，本集團就採購石英坩堝向錦州佑鑫支付之採購價總額約人民幣27,578,000元(二零一一年：人民幣110,886,000元)。

持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

按照董事估計截至二零一五年十二月三十一日止三



Continuing Connected Transactions (continued)

B. Non-exempt Continuing Connected Transactions (continued)

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this report, Jinzhou Youxin, which is a party to the Existing Materials Supply Agreement as a supplier of quartz crucibles to the Group, is owned as to 25% by PLC and 75% by Independent Third Parties. Jinzhou Youxin is therefore no longer an associate of Mr. CHONG Kin Ngai by virtue of Rule 1.01 of the Listing Rules. In addition, as mentioned above, Mr. CHONG Kin Ngai would cease to be a connected person of the Company under Rule 14A.11(2) of the Listing Rules after 1 December 2012. Any transactions between the Group and Jinzhou Youxin (if any) after expiry of the Existing Materials Supply Agreement will no longer be subject to the continuing connected transactions requirements under Chapter 14A of the Listing Rules.

Supply of scrap polysilicon, scrap ingots and scrap wafers by Wafer Works Corp. (WWX)

On 12 January 2008, the Company entered into a framework supply agreement with WWX pursuant to which WWX agreed to supply, and/or procure its subsidiaries ("WWX Group") to supply scrap polysilicon raw material, scrap ingots and scrap wafers to the Company or its subsidiaries as requested by them from time to time. Such scrap polysilicon, scrap ingots and scrap wafers serve as the Group's materials for its production of wafers. The supply agreement had a term commencing on 31 March 2008 and expired on 31 December 2009. Formal purchase agreements (by way of purchase orders and confirmations) were entered into between the Company (and/or its subsidiaries) and WWX (and/or its subsidiaries) with the detailed terms and conditions as specified in the relevant purchase orders. The purchase arrangements under the supply agreement were conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

The WWX Supply Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The purchase price payable by the Group to WWX under the WWX Supply Agreement is estimated based on the expected purchase amount of the scrap polysilicon, scrap ingots and scrap wafers and is comparable to the prevailing market prices in the scrap polysilicon, scrap ingots and scrap wafers market in the PRC.

On 4 June 2008, the Company entered into a supplemental agreement (the "WWX Supplemental Supply Agreement") with WWX to Tc9Supmatc08ymmercial te-ansactions reder the WWX Supply Agreement is enwe no to 25taims.esshe WWaual Reymmrcial Te

持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

據董事作出一切合理查詢後所深知、全悉及確信，於本報告日期，錦州佑鑫由佑昌燈光及獨立第三方分別擁有25%及75%，錦州佑鑫乃現有材料供應協議之訂約方，為本集團之石英坩堝供應商。因此，根據上市規則第1.01條，錦州佑鑫不再為莊堅毅先生的聯繫人士。此外，誠如上文所述，根據上市規則第14A.11(2)條，莊堅毅先生於二零一二年十二月一日後將不再為本公司之關連人士。本集團與錦州佑鑫於現有材料供應協議屆滿後之任何交易(如有)將毋須遵守上市規則第14A章項下之持續關連交易規定。

合晶科技股份有限公司(「合晶科技」)供應多晶硅廢碎、硅錠廢碎及硅片廢碎

於二零零八年一月十二日，本公司與合晶科技訂立框架供應協議，據此，合晶科技同意按本公司或其附屬公司的不時要求，向彼等供應及／或促使其附屬公司(「合晶科技集團」)供應多晶硅廢碎原材料、硅錠廢碎及硅片廢碎。本集團採用該等多晶硅廢碎、硅錠廢碎及硅片廢碎作為生產硅片的原材料。供應協議由二零零八年三月三十一日起開始，並已於二零零九年十二月三十一日屆滿。本公司(及／或其附屬公司)及合晶科技(及／或其附屬公司)已訂立正式購買協議(以購買訂單及確認之形式)，其詳細條款及條件載列於相關購買訂單內。合晶科技供應協議項下購買安排乃以正常商業條款及不遜於獨立第三方可能提出的條款進行。

合晶科技供應協議乃於一般及日常業務過程中按正常商業條款訂立。根據合晶科技供應協議，本集團向合晶科技支付的購買價，乃按照預計多晶硅廢碎、硅錠廢碎及硅片廢碎的採購額估算，並與中國多晶硅廢碎、硅錠廢碎及硅片廢碎市場當時的市價相若。

於二零零八年六月四日，本公司與合晶科技簽訂補充協議(「合晶科技補充供應協議」)，修訂合晶科技供應協議項下交易的年度上限，並釐定截至二零一零年十二月三十一日止年度交易的年度上限。本公司已於二零零八年六月二十七日就合晶科技補充供應協議獲獨立股東批准。獲批准後，合晶科技補充供應協議自二零零八年六月二十七日起生效，並已於二零一零年十二月三十一日屆滿。

持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

合晶科技股份有限公司(「合晶科技」)供應多晶硅廢碎、硅錠廢碎及硅片廢碎(續)

於二零一零年十一月三日，本公司與合晶科技訂立新供應協議(「合晶科技新供應協議」)，更新前現有協議，並釐定截至二零一三年十二月三十一日止年度交易的年度上限。本公司已於二零一一年一月二十六日就合晶科技新供應協議獲獨立股東批准。獲批准後，合晶科技新供應協議自二零一一年一月一日起生效，並將於二零一三年十二月三十一日屆滿。

截至二零一二年十二月三十一日止年度，本集團就供應多晶硅廢碎原材料、硅錠廢碎及硅片廢碎向合晶科技集團支付之採購價總額約為人民幣17,096,000元(二零一一年：人民幣18,665,000元)。

按照董事估計截至二零一三年十二月三十一日止年度的多晶硅廢碎、硅錠廢碎及硅片廢碎採購量，預期本集團就合晶科技新供應協議項下交易應付年度上限金額將不超過人民幣229,900,000元。

上述年度上限乃參考：(i)截至二零一三年十二月三十一日止三個年度本集團產能的預期升幅；(ii)將向合晶科技採購的多晶硅、硅錠廢碎及硅片廢碎數量的預期百分比；(iii)與合晶科技所訂立採購合約的未達成數量；(iv)太陽能硅錠轉化為多晶硅的生產比率；及(v)截至二零一三年十二月三十一日止三個年度多晶硅市價的預期變動後釐定。

據董事作出一切合理查詢後所深知、全悉及確信，於本報告日期，合晶科技持有Wafer Works Investment Corp.(「WWIC」)100%權益。WWIC是本公司主要股東，故此，合晶科技及其附屬公司各自為WWIC之聯繫人士，故亦為本公司之關連人士。因此，根據上市規則第14A.35條，合晶科技新供應協議項下交易構成本公司不獲豁免之持續關連交易。

B. 不獲豁免之持續關連交易(續)

向合晶科技銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片

於二零零八年一月十二日，本公司與合晶科技訂立框架銷售協議(「合晶科技銷售協議」及加工的多晶硅、礪咎箍

Continuing Connected Transactions (continued)

B. Non-exempt Continuing Connected Transactions (continued)

持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

向合晶科技銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片(續)

截至二零一二年十二月三十一日止年度，本集團並無就銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片向合晶科技集團收取銷售所得款項(二零一一年：人民幣零元)。

按照董事估計截至二零一三年十二月三十一日止年度銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片的銷售額，預計本集團根據合晶科技新銷售協議應收下列交易年度上限金額將不超過人民幣403,200,000元。

上述合晶科技新銷售協議項下的年度上限乃參考(i)截至二零一三年十二月三十一日止三個年度本集團加工產能的預期升幅；(ii)估計合晶科技的光伏業務對硅錠及硅片的需求；及(iii)截至二零一三年十二月三十一日止三個年度太陽能硅錠及硅片市價的預期變動後釐定。

誠如上文「合晶科技供應多晶硅廢碎、硅錠廢碎及硅片廢碎」一段所述，由於合晶科技為本公司關連人士，故根據上市規則第14A.35條，合晶科技新銷售協議項下之交易構成本公司不獲豁免之持續關連交易。

B. 不獲豁免之持續關連交易(續)

向合晶科技提供硅材酸洗、多晶硅及硅片的加工及生產服務

於二零零八年一月十二日，本公司與合晶科技訂立框架加工協議，據此，本公司同意提供或促使其附屬公司提供有關硅材酸洗及將頭尾料、鍋底料及硅廢碎加工及循環再造為多晶硅之服務，及提供用作生產太陽能硅錠及太陽能硅片加工及生產之其他所需原材料予合晶科技或其附屬公司。加工協議之年期自二零零八年三月三十一日起生效，並已於二零零九年十二月三十一日屆滿。本公司(及／或其附屬公司)與合晶科技(及／或其附屬公司)已訂立正式協議(以加工訂單及確認之形式)，其詳細條款及條件載列於相關加工訂單內。合晶科技加工協議項下加工安排乃以正常商業條款及不遜於獨立第三方提出的條款進行。

於二零零九年十二月二日，本公司簽訂一項新加工協議(「新合晶科技加工協議」)重續現有加工協議，並就截至二零一二年十二月三十一日止年度的

Continuing Connected Transactions (continued)

B. Non-exempt Continuing Connected Transactions (continued)

The provision of services in respect of acidic wash of silicon, the processing and production of polysilicon and wafers to WWX (continued)

As mentioned in the paragraph headed "Supply of scrap polysilicon, scrap ingots and scrap wafers by WWX" above, WWX is a connected person of the Company. The transactions under the New WWX Processing Agreement therefore constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

No renewal of New WWX Processing Agreement has been made after the expiry thereof.

The transactions as set out in section (A) "Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements" above constitute continuing connected transactions of the Group which are exempt from independent shareholders' approval under Rule 14A.34 of the Listing Rules and are subject to the reporting and announcement requirements set out in Rule 14A.35 to 14A.47 of the Listing Rules. The transactions as set out in section (B) "Non-exempt Continuing Connected Transactions" above are subject to reporting, announcement and independent shareholders' approval requirements set out in Rules 14A.45 to 14A.48 of the Listing Rules. The Board has reviewed and the Independent Non-executive Directors have confirmed that the above continuing connected transactions (the "Continuing Connected Transactions") for the year ended 31 December 2012 were entered into and conducted:

(i) in the ordinary and usual course of business of the Company;

(ii) either on normal commercial terms or terms no less favourable to the Company than terms available to or from independent third parties; and

(iii) in accordance with the relevant agreement governing them and the terms and the proposal annual caps set out above that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

向合晶科技提供硅材酸洗、多晶硅及硅片的加工及生產服務(續)

誠如上文「合晶科技供應多晶硅廢碎、硅錠廢碎及硅片廢碎」一段所述，合晶科技為本公司關連人士。根據上市規則第14A.35條，新合晶科技加工協議項下之交易構成本公司不獲豁免之持續關連交易。

新合晶科技加工協議於屆滿後並無重續。

上文(A)節「獲豁免遵守獨立股東批准規定之持續關連交易」所載交易構成本集團之持續關連交易，根據上市規則第14A.34條獲豁免遵守獨立股東批准的規定，並須遵守上市規則第14A.35條至14A.47條所載申報及公告規定。上文(B)節「不獲豁免之持續關連交易」所載交易須遵守上市規則第14A.45至第14A.48條的申報、公告及獨立股東批准的規定。董事會已審閱上述於截至二零一二年十二月三十一日止年度所進行持續關連交易(「持續關連交易」)，獨立非執行董事亦已確認持續關連交易乃按下列方式訂立及進行：

(i) 在本公司一般及日常業務過程中；

(ii) 按正常商業條款，或按不遜於本公司向或獲獨立第三方提供的條款；及

(iii) 符合相關規管協議，且上述條款及建議年度上限屬公平及合理，並符合本公司股東整體利益。

持續關連交易(續)

本公司核數師已獲聘根據香港會計師公會頒布的香港核證工作準則第3000號「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據主板上市規則第14A.38條發出函件，而該函件載有核數師對有關本集團在年報第39至57頁披露的持續關連交易的發現及結論。本公司已將核數師函件副本送呈聯交所。本公司已確認，已遵守上市規則第14A章的披露規定。

購股權計劃

本公司已於二零零八年二月二十七日有條件批准及採納購股權計劃(「購股權計劃」)，若干參與者可獲授購股權認購本公司股本中每股面值0.10港元之普通股(「股份」)。董事相信購股權計劃對聘用及留聘高質素的行政人員及僱員至為重要。

授出購股權所涉及股份的認購價將由董事會釐定，並將以下列最高者為準：

(i) 股份於授出日期(須為聯交所關於進行證券交易業務的日子)於聯交所每日報價表所報的正式收市價；

(ii) 緊接授出日期前五個營業日股份於聯交所每日報價表所報正式收市價平均數；及

(iii) 股份面值。

Share Option Scheme (continued)

購股權計劃(續)

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權涉及的股份數目上限，合共不得超過緊隨本公司股份於聯交所上市(「上市」)(但並不計及根據有關上市之超額配股權獲行使而可能出售的任何股份)及資本化發行完成後已發行股份總數的10%，即169,076,650股股份，相當於本公司現有已發行股本5.66%。

截至二零一二年十二月三十一日，於購股權計劃項下可發行證券總數為158,186,650股股份，相當於本公司現有已發行股本5.29%(扣除於二零零八年十二月二十九日授出可認購42,269,163股股份的購股權，並加回分別可認購10,285,000股股份及21,094,163股股份並於二零零九年四月三十日及二零一零年十二月三十一日失效的購股權後)。

本公司不得向任何人士授出購股權，致使該名人士在截至最後授出日期止任何12個月期間內已獲授或將獲授之購股權於行使時所發行及可予發行之本公司股份總數，超過本公司已發行股份數目之1%。

購股權可根據購股權計劃條款於本公司董事會釐定的期間內隨時行使，而有關期間自授出日期起計不得超過10年。

本年度內概無根據購股權計劃授出購股權。

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

購買、出售或贖回本公司上市證券

截至二零一二年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司上市證券。

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

Note:

(1) The letter "L" denotes the person's long position in such securities.

(2) As at 31 December 2012, Mr. Tan Wenhua is interested in an aggregate of 683,944,751 Shares, of which (i) 528,624,442 Shares are directly held by Mr. Tan Wenhua; and (ii) 155,320,308 Shares are held by You Hua Investment Corporation, which is wholly-owned by Mr. Tan Wenhua.

(3) Mr. Hsu You Yuan and Mr. Chiao Ping Hai are entitled to buy back the Shares of the relevant senior management and employees in the event that any of them cease to be employed. 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).

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

附註：

(1) 字母「L」指該人士於該等證券的好倉。

(2) 於二零一二年十二月三十一日，譚文華先生合共於683,944,751股股份中擁有權益，當中(i)528,624,442股股份由譚文華先生直接持有，及(ii)155,320,308股股份由譚文華先生全資擁有之佑華投資有限公司持有。

(3) 倘若任何相關高級管理人員及僱員不再獲聘用或獲委託，則許祖淵先生及焦平海先生有權購回彼等的股份，該等董事根據相關僱員及顧問授出的股份抵押亦擁有該等股份的擔保權益，以確保彼等履行支付股份收購價以及遵從彼等受其限制的相關規管規定(如有)的責任。

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

As at 31 December 2012, so far as the Directors are aware, save as disclosed above, the persons or corporations (not being a Director or chief executive of the Company) who have interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company were as follows:

主要股東及其他人士於股份及相關股份中的權益及淡倉

截至二零一二年十二月三十一日，據董事所悉，除上文披露者外，以下人士或法團(並非董事或本公司最高行政人員)於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條規定存置的登記冊或已另行知會本公司的權益或淡倉：

Substantial Shareholders' and Other Persons Interests and Short Positions in Shares and Underlying Shares (continued)

Note:

1. The letter "L" denotes the person's long position in such securities.

2. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, WWIC is wholly-owned by WWX as at the date of this report. By virtue of the SFO, WWX is deemed to be interested in the Shares held by WWIC.

3. As at 31 December 2012, Mr. CHONG is interested in an aggregate of 129,056,933 Shares, of which 4,994,500 Shares are directly held by Mr. CHONG, 1,100,000 Shares are held by Mr. CHONG's spouse, 71,126,040 Shares are held by Prosperity Electric Corporation ("PEC") and 51,836,393 Shares are held by Prosperity Lamps & Components Limited ("PLC"). PLC is held as to 20% by PEC, as to 45% by Leigh Company Limited and as to 35% by independent third parties. Both PEC and Leigh Company Limited are wholly-owned by Mr. CHONG.

Save as disclosed above, as at 31 December 2012, the Directors are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

Directors' Interest in Potentially Competing Businesses

Mr. TAN Wenhua, being the executive Director, and Mr. CHIAO Ping Hai, being the non-executive Director are interested in other related businesses, particulars of which are set out below:

Mr. TAN Wenhua

For the year ended 31 December 2012, Mr. Tan held approximately 40% interest in Jinzhou Changhua. Jinzhou Changhua is engaged in the manufacturing of graphite and graphite related products. The business of Jinzhou Changhua does not compete with that of the Group. Jinzhou Changhua, as a company which manufactures graphite and graphite related products, is not a competitor of the Group because (a) the Group is not engaged in the manufacturing of graphite or any graphite related products; and (b) graphite is not a substitute for polysilicon in the manufacturing of solar products currently produced by the Group.

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Mr. CHIAO Ping Hai

For the year ended 31 December 2012, Mr. CHIAO Ping Hai had interests in WWX, 上海合晶硅材料有限公司 (Wafer Works (Shanghai) Corp*) ("WWXS") and Wafer Works Epitaxial Corp. These three companies are all engaged in the business of manufacturing silicon wafers used in the semi-conductor industry. Mr. CHIAO Ping Hai also has indirect interests in Helitek and Heli-Vantech, Inc., both of which are engaged in the trading of silicon wafers used in the manufacture of semi-conductors. As explained above, the semi-conductor industry is different from that of the solar technology industry; thus, WWX, WWXS and Wafer Works Epitaxial Corp., Helitek and Heli-Vantech, Inc., are not engaged in any competing business of the Group.

主要股東及其他人士於股份及相關股份中的權益及淡倉(續)

附註：

1. 字母「L」指該人士於該等證券的好倉。

2. 據董事於作出一切合理查詢後所深知、全悉及確信，於本報告日期，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。

3. 於二零一二年十二月三十一日，莊先生合共於129,056,933股股份中擁有權益，當中4,994,500股股份由莊先生直接持有、1,100,000股股份由莊先生之配偶持有、71,126,040股股份由Prosperity Electric Corporation(「PEC」)持有，另51,836,393股股份由佑昌燈光器材有限公司(「佑昌燈光」)持有。佑昌燈光分別由PEC、Leigh Company Limited及獨立第三方持有20%、45%及35%。PEC及Leigh Company Limited均由莊先生全資擁有。

除上文所披露者外，截至二零一二年十二月三十一日，董事並不知悉有任何其他人士或法團於本公司的股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文披露的權益或淡倉。

董事於潛在競爭業務的權益

執行董事譚文華先生以及非執行董事焦平海先生於其他相關業務擁有權益，其中詳情載列如下：

譚文華先生

於截至二零一二年十二月三十一日止年度，譚先生於錦州昌華擁有約40%的權益。錦州昌華從事製造石墨及石墨相關產品。錦州昌華的業務與本集團的業務並不存在任何競爭。作為一家製造石墨及石墨相關產品公司的錦州昌華，並非本集團的競爭對手，原因為(a)本集團並無從事石墨或任何石墨相關產品的製造業務；及(b)石墨不能替代多晶硅作為生產本集團目前製造的太陽能產品的原材料。

焦平海先生

於截至二零一二年十二月三十一日止年度，焦平海先生於合晶科技、上海合晶硅材料有限公司(「合晶硅材料」)及上海晶盟硅材料有限公司擁有權益。該三家公司均從事半導體產業所用的硅片製造業務。焦平海先生亦於漢菘及晶材科技股份有限公司擁有間接權益，兩家公司均從事買賣製造半導體所用的硅片。誠如上文所闡釋，半導體產業有別於太陽能科技產業，故此，合晶科技、合晶硅材料及上海晶盟硅材料有限公司、漢菘及晶材科技股份有限公司並非從事任何與本集團競爭的業務。

Non-competition Undertaking

The Directors confirm that they have no interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business. The Directors have also signed a non-competition undertaking with the Company.

Disclosure on how the non-competition undertaking has been complied with and enforced would be consistent with the principles of making voluntary disclosures under the Corporate Governance Report under Appendix 23 of the Listing Rules.

Pursuant to the non-competition undertaking dated 27 February 2008, Mr. TAN Wenhua shall continue to be bound by the terms of the noncompetition undertaking in the event that he ceases to be a Director but remains a substantial shareholder of the Company.

The interested Director shall abstain from the meeting where there is actual or potential conflict in interest.

不競爭承諾

董事確認，除本集團業務外，彼等概無於與本集團業務直接或間接存有競爭或極可能存有競爭的任何業務擁有權益。董事亦已與本公司訂立不競爭承諾。

本公司有關披露遵守及強制執行不競爭承諾情況的方式將與上市規則附錄二十三企業管治報告所載自願作出披露的原則相符。

根據二零零八年二月二十七日作出的不競爭承諾，倘若譚文華先生終止擔任董事職務但繼續為本公司主要股東，彼亦須受不競爭承諾的條款約束。

倘會議上討論的事宜與董事實際或潛在存在利益衝突，該涉及利益董事須放棄出席有關會議。

Directors' Interests in Contracts

Save as disclosed in the section headed "Continuing Connected Transactions" on pages 39 to 57, no contract of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事之合約權益

除第39至57頁「持續關連交易」一節所披露者外，本公司或其任何附屬公司或同系附屬公司概無參與訂立任何於年終或年內任何時間仍然有效，且董事於當中直接或間接擁有重大權益之重大合約。

Emolument Policy

The emolument policy of the employees of the Group is set out by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

薪酬政策

薪酬委員會按照僱員表現、資歷及能力，制定本集團僱員之薪酬政策。

薪酬委員會參照本公司的營運業績、董事個別表現及可比較市場統計數據，決定董事的薪酬。

Retirement Benefit Schemes

Particulars of the retirement benefit schemes of the Group are set out in note 30 to the financial statements.

退休福利計劃

本集團福利計劃詳情，載於財務報表附註30。

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association, or the law of Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

優先購股權

本公司之組織章程細則或開曼群島(即本公司註冊成立的司法權區)法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東提呈新股。

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Special enquiries have been made by the Company to confirm that all Directors have been complied with the Model Code for the year ended 31 December 2012.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則作為其本身董事進行證券交易的操守守則。本公司作出特別查詢後確認，全體董事於截至二零一二年十二月三十一日止年度已遵守標準守則。

Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the corporate governance report on pages 19 to 29.

企業管治

本公司採納的主要企業管治常規，載於第19至29頁的企業管治報告。

Audit Committee

The Company established an Audit Committee on 27 February 2008 with written terms of references adopted in compliance with the Code set out in Appendix 14 of the Listing Rules. The members of the Audit Committee are the four independent non-executive Directors, and Mr. Wong Wing Kuen Albert, an independent non-executive Director, is the Chairman of the Audit Committee.

審核委員會

本公司已於二零零八年二月二十七日成立審核委員會，並採納按照上市規則附錄十四所載列守則制定書面職權範圍。審核委員會成員由四名獨立非執行董事組成，而獨立非執行董事王永權先生為審核委員會主席。

The Audit Committee is to serve as a focal point for communication between other Directors, the external auditor and the internal auditor (where an internal audit function exists) of the Company as regards their duties relating to financial and other reporting, internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time.

審核委員會乃作為其他董事、本公司外聘核數師與內部核數師(倘存在內部審核職能)之間的溝通橋樑，關乎彼等職責中相關的財務及其他報告、內部監控、外部及內部審核以及董事會不時決定的其他財務及會計事宜。

The Audit Committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The audit committee has reviewed the Group's interim and annual consolidated financial statements for the year 2012, including the accounting principles and practices adopted by the Group.

審核委員會乃為協助董事會獨立檢討本集團的財務報告過程、內部監控及風險管理制度的成效、監管審核過程及履行董事會不時指派的其他職責及責任。審核委員會已審閱本集團的二零一二年度中期及年度綜合財務報表，包括本集團採納的會計原則及常規。

Sufficiency of Public Float

As at the date of this annual report, the Company has maintained the prescribed public float of not less than 25% of the issued share capital of the Company pursuant to the Listing Rules and as agreed with the Stock Exchange, based on the information that is publicly available to the Company and within the knowledge of the Directors.

足夠公眾持股量

根據本公司透過公開途徑的資料及據董事所知悉，於本年報日期，本公司一直維持上市規則所訂明並經與聯交所協定本公司已發行股本不少於25%的公眾持股量。

Confirmation of Independence

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent Non-Executive Directors to be independent.

獨立身分的確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立身分確認書，並認為全體獨立非執行董事均為獨立人士。

Auditors

The financial statements of the Company for the year have been audited by KPMG who will retire and, being eligible, offer themselves for reappointment.

A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

TAN Wenhua
Chairman
Hong Kong, 27 March 2013

核數師

本公司本年度的財務報表已由畢馬威會計師事務所審核。畢馬威會計師事務所將任滿告退，並其符合資格且願意獲續聘。

有關續聘畢馬威會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

承董事會命

譚文華
主席
香港，二零一三年三月二十七日

Independent Auditor's Report
獨立核數師報告

Independent auditor's report to the shareholders of Solargiga Energy Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Solargiga Energy Holdings Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 67 to 168, which comprise the consolidated and company statements of financial position as at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material m6Dstatewh (to de assafr ha Twerrormation.

Auditor's responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1(b) to the consolidated financial statements which describes that the Group sustained a loss of RMB1,295,053,000 during the year ended 31 December 2012 and, as of that date, the Group's current liabilities exceeded its current assets by RMB385,052,000. The Group also used cash and cash equivalents of RMB202,579,000 in its operating activities during the year ended 31 December 2012 and suffered a significant decrease in turnover. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. As further detailed in note 1(b) to the consolidated financial statements, the Group raised net proceeds amounting to RMB200,443,000 through an open offer in March 2013 and has identified further measures to improve its performance and financial position. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the successful implementation of these further measures to enable the Group to operate as a going concern and meet its financial liabilities as they fall due for the foreseeable future. The consolidated financial statements do not include any adjustments that would result should the Group be unable to continue to operate as a going concern.

核數師的責任(續)

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公允地反映　貴公司及　貴集團於二零一二年十二月三十一日的事務狀況及截至該日止年度　貴集團的虧損和現金流量，並已按照香港《公司條例》之披露規定妥為編製。

強調事項

我們不發表保留意見，但請注意綜合財務報表附註1(b)所載，截至二零一二年十二月三十一日止年度，　貴集團錄得虧損人民幣1,295,053,000元，以及截至該日期　貴集團之流動負債超逾其流動資產人民幣385,052,000元。　貴集團亦於截至二零一二年十二月三十一日止年度經營活動中動用現金及現金等價物人民幣202,579,000元，且營業額大幅下降。這些數據顯示　貴集團存在重大不明朗因素，令　貴集團持續經營的能力嚴重成疑。誠如綜合財務報表附註1(b)進一步指出，於二零一三年三月，　貴集團透過公開發售籌集所得款項淨額人民幣200,443,000元並確定進一步改善業績和財務狀況的措施。綜合財務報表是以持續經營基準編製，此基準的有效性視乎　貴集團能否成功落實該等進一步措施，從而讓　貴集團可持續經營，並於可見未來償還到期金融負債。綜合財務報表並不包含一旦　貴集團不能持續經營而須予作出的任何調整。

KPMG
Certified Public Accountants

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

27 March 2013

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

二零一三年三月二十七日

Consolidated Income Statement
綜合損益表

for the year ended 31 December 2012　截至二零一二年十二月三十一日止年度
(Expressed in Renminbi)　(以人民幣列值)

		Note 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元 (restated) (經重列)
Turnover	營業額	3	**996,836**	2,574,669
Cost of sales	銷售成本		**(1,288,220)**	(2,320,821)
Gross (loss)/profit	毛(損)／利		**(291,384)**	253,848
Other revenue	其他收入	4	**55,808**	150,582
Other net income	其他收入淨額	5	**3,698**	3,191
Selling and distribution expenses	銷售及分銷開支		**(19,303)**	(32,169)
Administrative expenses	行政開支		**(252,539)**	(269,315)
(Loss)/profit from operations	經營(虧損)／利潤		**(503,720)**	106,137
Impairment of property, plant and equipment	物業、廠房及設備減值	14(e)	**(161,200)**	–
Impairment of intangible assets	無形資產減值	15	**(201,493)**	–
Impairment of goodwill	商譽減值	16	**(208,237)**	–
Impairment of prepayments	預付款項減值	18	**(134,485)**	–
Share of profits less losses of associates	應佔聯營公司淨損益	20	**1,511**	(54)
Finance costs	融資成本	6(a)	**(110,967)**	(71,949)
(Loss)/profit before taxation	除稅前(虧損)／利潤	6	**(1,318,591)**	34,134
Income tax credit	所得稅抵免	7	**23,538**	10,021
(Loss)/profit for the year	年度(虧損)／利潤		**(1,295,053)**	44,155
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司權益股東	8	**(1,276,554)**	54,291
Non-controlling interests	非控制性權益		**(18,499)**	(10,136)
(Loss)/profit for the year	年度(虧損)／利潤		**(1,295,053)**	44,155
(Loss)/earnings per share (RMB cents)	每股(虧損)／盈利 (人民幣分)	10		
Basic and diluted (2011: restated)	基本及攤薄(二零一一年：經重列)		**(55.99)**	2.43

The notes on pages 75 to 168 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the loss/profit for the year are set out in note 9.

第75至168頁之附註組成本財務報表之一部分。本公司權益股東應佔年內應付虧損／溢利股息之詳情載於附註9。

Consolidated Statement of Comprehensive Income
綜合全面收入表

for the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
(Expressed in Renminbi) （以人民幣列值）

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(Loss)/profit for the year	年度(虧損)／利潤	**(1,295,053)**	44,155
Other comprehensive income for the year	年度其他全面收入		
Exchange differences on translation of financial statements of companies outside of the People's Republic of China ("PRC")	換算中華人民共和國(「中國」)境外公司業務財務報表之匯兌差額	**407**	(6,769)
Total comprehensive income for the year	年度全面收入總額	**(1,294,646)**	37,386
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司權益股東	**(1,276,147)**	47,522
Non-controlling interests	非控制性權益	**(18,499)**	(10,136)
Total comprehensive income for the year	年度全面收入總額	**(1,294,646)**	37,386

The notes on pages 75 to 168 form part of these financial statements. 第75至168頁之附註組成本財務報表之一部分。

Consolidated Statement of Financial Position
綜合財務狀況表

at 31 December 2012　於二零一二年十二月三十一日
(Expressed in Renminbi)　（以人民幣列值）

Consolidated Statement of Financial Position
綜合財務狀況表

at 31 December 2012　於二零一二年十二月三十一日
(Expressed in Renminbi)　（以人民幣列值）

Statement of Financial Position
財務狀況表

at 31 December 2012　於二零一二年十二月三十一日
(Expressed in Renminbi)　(以人民幣列值)

		Note 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 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	14	–	12
Interests in subsidiaries	於附屬公司權益	19	1,755,530	1,443,597
			1,755,530	1,443,609
Current assets	流動資產			
Trade and other receivables	應收貿易賬款及其他應收款項	22	9,751	751,132
Cash at bank and in hand	銀行及手頭現金	24	1,363	1,421

Consolidated Statement of Changes in Equity
綜合權益變動表

for the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
(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									
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	General reserve fund 一般儲備金 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non-controlling interests 非控制性權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
Balance at 1 January 2011	於二零一一年一月一日之結餘	162,458	940,428	117,555	40,828	(10,289)	(66,710)	422,508	1,606,778	38,937	1,645,715
Changes in equity for 2011:	二零一一年權益變動：										
Profit/(loss) for the year	年度利潤／(虧損)	–	–	–	–	–	–	54,291	54,291	(10,136)	44,155
Other comprehensive income	其他全面收入	–	–	–	–	(6,769)	–	–	(6,769)	–	(6,769)
Total comprehensive income	全面收入總額	–	–	–	–	(6,769)	–	54,291	47,522	(10,136)	37,386
Dividends approved in respect of the previous year (note 9(b))	上年度獲批准股息(附註9(b))	–	(78,476)	–	–	–	–	–	(78,476)	–	(78,476)
Issuance of convertible bonds classified as equity (note 31(d))	發行分類為權益之可換股債券（附註31(d)）	–	–	–	–	–	644,281	–	644,281	–	644,281
Shares issued upon conversion of convertible bonds (note 31(d))	兌換可換股債券時發行股份（附註31(d)）	36,127	608,154	–	–	–	(644,281)	–	–	–	–
Capital injection by non-controlling shareholders	非控股股東注資	–	–	–	–	–	–	–	–	22,050	22,050
Equity settled share-based transactions	以股權結算股份支付之交易	–	–	–	1,940	–	–	–	1,940	–	1,940
Appropriation	分配	–	–	21,801	–	–	–	(21,801)	–	–	–
Balance at 31 December 2011	於二零一一年十二月三十一日之結餘	198,585	1,470,106	139,356	42,768	(17,058)	(66,710)	454,998	2,222,045	50,851	2,272,896
Balance at 1 January 2012	於二零一二年一月一日之結餘	**198,585**	**1,470,106**	**139,356**	**42,768**	**(17,058)**	**(66,710)**	**454,998**	**2,222,045**	**50,851**	**2,272,896**
Changes in equity for 2012:	二零一二年權益變動：										
Loss for the year	年度虧損	**–**	**–**	**–**	**–**	**–**	**–**	**(1,276,554)**	**(1,276,554)**	**(18,499)**	**(1,295,053)**
Other comprehensive income	其他全面收入	**–**	**–**	**–**	**–**	**407**	**–**	**–**	**407**	**–**	**407**
Total comprehensive income	全面收入總額	**–**	**–**	**–**	**–**	**407**	**–**	**(1,276,554)**	**(1,276,147)**	**(18,499)**	**(1,294,646)**
Shares issued under open offer (note 31(e))	根據公開發售發行股份（附註31(e)）	**20,202**	**52,778**	**–**	**–**	**–**	**–**	**–**	**72,980**	**–**	**72,980**
Appropriation	分配	**–**	**–**	**48,696**	**–**	**–**	**–**	**(48,696)**	**–**	**–**	**–**

Consolidated Cash Flow Statement
綜合現金流量表

for the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
(Expressed in Renminbi) （以人民幣列值）

		Note 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Operating activities	經營活動			
(Loss)/profit before taxation	除稅前(虧損)／利潤		(1,318,591)	34,134
Adjustments for:	調整：			
Depreciation and amortisation	折舊及攤銷		202,830	166,084
Gain on disposals of property, plant and equipment	出售物業、廠房及設備的收益		–	(178)
Share of profits less losses of associates	應佔聯營公司淨損益		(1,511)	54
Impairment of property, plant and equipment	物業、廠房及設備減值		161,200	–
Impairment of prepayments	預付款項減值		134,485	–
Impairment of goodwill	商譽減值		208,237	–
Impairment of intangible assets	無形資產減值		201,493	–
Equity-settled share-based payment expenses	按權益結算以股份支付的開支		–	1,940
Write-down of inventories	存貨撇減		154,590	161,701
Impairment of trade debtors	應收貿易賬款減值		1,159	–
Finance costs	融資成本		110,967	71,949
Provision for warranty costs	就保證成本作出的撥備		1,672	6,465
Interest income from bank deposits	銀行存款利息收入		(4,430)	(5,952)
Foreign exchange (gain)/loss	匯兌(收益)／虧損		(2,051)	5,516
Operating (loss)/profit before changes in working capital	未計營運資金變動的經營(虧損)／利潤		(149,950)	441,713
Increase in inventories	存貨增加		(209,956)	(118,958)
(Increase)/decrease in trade and other receivables	應收貿易賬款及其他應收款項(增加)／減少		(67,063)	178,602
Increase in prepayments for raw materials	原材料的預付款項增加		(52,537)	(151,869)
Increase/(decrease) in trade and other payables	應付貿易賬款及其他應付款項增加／(減少)		277,426	(46,507)
(Decrease)/increase in deferred income	遞延收入(減少)／增加		(202)	6,910
Cash (used in)/generated from operating activities	經營活動(所用)／所得現金		(202,282)	309,891
The People's Republic of China (the "PRC") income tax refunded/(paid)	已退還／(已付)中華人民共和國(「中國」)所得稅		561	(35,332)
Withholding tax paid	已付預扣稅項		(858)	–

Consolidated Cash Flow Statement
綜合現金流量表

for the year ended 31 December 2012　截至二零一二年十二月三十一日止年度
(Expressed in Renminbi)　（以人民幣列值）

		Note 附註	**2012** 二零一二年 **RMB'000** 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Net cash (used in)/generated from operating activities	經營活動(所用)／所得現金淨額		**(202,579)**	274,559
Investing activities	投資活動			
Payment for the acquisition of property, plant and equipment	就購置物業、廠房及設備支付的款項		**(122,378)**	(658,775)
Capital injection to an associate	向一間聯營公司注資		**–**	(86,000)
Payment of lease prepayments	租賃預付款項		**–**	(15,776)
Decrease in deposits with banks with original maturity over three months	到期日為三個月以上的銀行存款減少		**3,770**	46,230
Increase in amount due from an associate	應收一間聯營公司款項增加		**–**	(133,802)
Net cash inflow from acquisition of				

Notes to the Financial Statements
財務報表附註

(Expressed in Renminbi unless otherwise indicated) （除另有註明者外，以人民幣列值）

1 主要會計政策

(a) 合規聲明

財務報表是根據所有適用的香港財務報告準則「香港財務報告準則」，（該統稱詞彙包括香港會計師公會（「香港會計師公會」）頒佈之所有個別適用的香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例的披露規定予以編製。此外，財務報表亦符合香港聯合交易所有限公司證券上市規則（「上市規則」

主要腳

1 Significant accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

The consolidated financial statements for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 37.

1 主要會計政策(續)

(b) 財務報表的編製基準(續)

截至二零一二年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)以及本集團於聯營公司之權益。

除於以下會計政策內列明外，編製財務報表是以歷史成本作為計量基準。

編製符合香港財務報告準則的財務報表需要管理層作出判斷、估計和假設。這些判斷、估計和假設會影響會計政策應用和影響資產與負債、收入與支出的呈報金額。這些估計和相關的假設是以過往經驗和以在具體情況下確信為合理的其他因素為基礎，用作判斷那些無法從其他渠道直接獲得其賬面值的資產和負債項目的賬面值的依據。實際結果可能跟這些估計有所不同。

這些估計及相關假設會持續審閱。如會計估計的修訂僅對修訂期間產生影響，則其影響只會在當期確認；如會計估計的修訂對修訂期間及未來期間均產生影響，相關影響則同時在當期和未來期間確認。

有關管理層採納香港財務報告準則時所作出對財務報表有重大影響的判斷，以及不確定估計之主要來源之討論載列於附註37。

1 Significant accounting policies (continued)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the

1 主要會計政策(續)

(c) 附屬公司及非控制性權益

附屬公司指本集團控制的實體。控制是指本集團有權力支配某實體的財務及營運政策，藉此從其活動取得利益。在評估本集團是否控制某實體時，會考慮到目前可行使的潛在投票權。

於附屬公司的投資由控制開始當日至控制終止當日在綜合財務報表中綜合計算。集團內公司間的結餘和交易，以及集團內公司間交易產生的任何未變現利潤，會在編製綜合財務報表時全數抵銷。集團內公司間交易所引致未變現虧損的抵銷方法與未變現收益相同，但抵銷額只限於沒有證據顯示已出現減值的部分。

非控制性權益為並非由本公司直接或間接應佔的附屬公司權益，而本集團並無就此與該等權益的持有人協定任何額外條款，致使本集團整體就該等權益承擔符合財務負債定義的合約責任。

非控制性權益於綜合財務狀況表內的權益項下與本公司權益股東應佔權益分開列示。本集團業績中的非控制性權益乃在綜合損益表及綜合全面收入表中列為年度利潤或虧損總額及全面收入總額在非控制性權益及本公司權益股東之間的分配。

於本公司財務狀況表中，於附屬公司的投資是按成本減去減值虧損後入賬(見附註1(j))。

1 Significant accounting policies (continued)

(d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 1(j)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

1 主要會計政策(續)

(d) 聯營公司

聯營公司是指本集團或本公司對其有重大影響，但對其管理層並無控制或共同控制權的實體；重大影響包括參與其財務和經營決策。

於聯營公司的投資是按權益法記入綜合財務報表。根據權益法，投資初步以成本入賬，然後就本集團所佔被投資方可識別資產淨值的收購日期公平值超出投資成本的任何部分（如有）作出調整。其後，有關投資會就本集團所佔被投資方資產淨值的收購後變動及有關投資的任何減值虧損（見附註1(j)）作出調整。收購日期超出成本的任何部分、本集團所佔被投資方的收購後除稅後業績及年內的任何減值虧損於綜合損益表確認，而本集團所佔被投資方其他全面收入內的收購後除稅後項目則於綜合全面收入表確認。

當本集團對聯營公司承擔的虧損額超過其所佔權益時，本集團所佔權益便會減少至零，並且不再確認額外虧損；但如本集團須履行法定或推定義務，或代被投資方作出付款則除外。就此而言，本集團的權益是以按照權益法計算的投資賬面金額，以及實質上構成本集團在聯營公司投資淨額一部分的長期權益。

本集團與其聯營公司之間交易所產生的未變現損益，均按本集團於被投資方所佔的權益抵銷；但倘未變現虧損證明已轉讓資產出現減值，則會即時在損益表中確認。

1 Significant accounting policies (continued)

(e) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(j)).

(f) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(j)(ii)):

– buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(i)); and

– other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportions of production overheads and borrowing costs (see note 1(u)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1 主要會計政策(續)

(e) 商譽

商譽指：

(i) 所轉讓代價之公平值、於被收購方之任何非控制性權益金額以及本集團以往於被收購方所持之股本權益公平值之總額；超出

(ii) 被收購方在收購日所計量的可識別資產及負債之公平值淨額之數額。

當(ii)大於(i)時，該超出數額隨即於損益中確認為該特惠收購之收益。

商譽按成本值減任何累計減值虧損列賬。因業務合併產生之商譽乃分配至預期可受惠於該項合併所產生協同效益之各項現金產生單位或各組現金產生單位，並須每年進行減值測試(見附註1(j))。

(f) 物業、廠房及設備

下列各項物業、廠房及設備乃按照成本扣除累計折舊及減值虧損(見附註1(j)(ii))列賬：

— 位於分類為根據經營租賃持有的租賃土地之持作自用樓宇(見附註1(i))；及

— 其他廠房及設備項目。

自建的物業、廠房及設備項目成本包括材料成本、直接勞工、初步估計(視何者適用)拆卸及清除項目及重修所在地盤之成本，以及生產經常費用及借貸成本的適當部分(見附註1(u))。

報廢或出售一項物業、廠房及設備所產生的損益以出售該項項目所得款項淨額與其賬面金額之差額而釐定，並於報廢或出售當日在損益表確認。

1 主要會計政策(續)

(f) 物業、廠房及設備

1 主要會計政策(續)

(h) 無形資產(商譽除外)

無形資產(商譽除外)由本集團購入的無形資產(其估計可使用年期有限者)乃按成本值減累計攤銷及減值虧損(見附註1(j)(ii))後列賬。

無形資產(具有限使用年期者)的攤銷乃按下列資產估計可用年期以直線法計入損益:

—	專利	9年
—	客戶關係	10年
—	客戶合約	1年

無形資產的攤銷年期及方法均每年進行檢討。

(i) 租賃資產

倘本集團決定一項安排(由一項交易或一系列交易組成)會在協定期間內轉讓一項或一些特定資產的使用權以換取一筆或一連串付款,該安排屬於或包括一項租賃。該項決定乃基於該安排之實際內容的估量而作出,不管這項安排是否以租賃的法律形式作出。

如本集團的租賃並無獲轉讓絕大部分與所有權有關亟瞚痕　毀蓎냇뙷쵇讔屘雨

(槩匷形關　琢旻暕橙讔使厩嚮憕膚달쎙乐鈉髂熬是덦싫

會싁灑鬗嵐툫

1 主要會計政策(續)

(j) 資產減值(續)

(i) 於附屬公司、聯營公司的投資以及應收貿易賬款及其他應收款項的減值(續)

倘出現上述任何證據，則會按以下方式釐訂及確認減值虧損：

— 根據附註1(j)(ii)，就按成本列賬的附屬公司的投資以及使用權益法確認的於聯營公司的投資(見附註1(d))而言，減值虧損乃以投資的可收回金額與其賬面值作出比較的方式計量。根據附註1(j)(ii)，倘估計

1 Significant accounting policies (continued)

(j) Impairment of assets (continued)

(i) Impairment of the investments in subsidiaries, associates and trade and other receivables (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- construction in progress;
- pre-paid interests in leasehold land classified as being held under an operating lease;
- intangible assets; and
- goodwill.

1 主要會計政策(續)

(j) 資產減值(續)

(i) 於附屬公司、聯營公司的投資以及應收貿易賬款及其他應收款項的減值(續)

減值虧損應從相應的資產中直接撇銷，但應收貿易賬款及其他應收款項中可收回性被視為可疑而並非微乎其微的應收貿易賬款及票據的已確認減值虧損則例外，應以撥備賬記錄呆賬的減值虧損。倘本集團確認能收回應收賬款及應收票據的機會微乎其微，則視為不可收回金額會從應收貿易賬款及票據中直接撇銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬款項在其後收回，則相關的撥備會被撥回。撥備賬的其他變動及之前直接撇銷而其後收回的款項，均在損益表確認。

(ii) 其他資產減值

本集團於各報告期間結算日審閱內部和外來的信息來源，以辨識下列資產是否可能出現減值，或以往確認的減值虧損是否已不再存在或有所減少：

- 物業、廠房及設備；
- 在建工程；
- 獲分類為根據經營租賃持有的租賃土地所預繳的權益；
- 無形資產；及
- 商譽。

1 Significant accounting policies (continued)

(j) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

1 主要會計政策(續)

(j) 資產減值(續)

(ii) 其他資產減值(續)

如果出現任何減值跡象，便會對資產的可收回金額作出估算。此外，就商譽而言，可收回金額乃按年進行估計以測試其是否出現任何減值跡象。

– 可收回金額之計算

資產的可收回金額是其公平值減銷售成本與使用價值兩者中的較高者。在評估使用價值時，估計未來現金流量會按可以反映當時市場對貨幣時間值及該資產獨有風險之除稅前貼現率，貼現至其現值。如果資產產生的現金流入基本上不能獨立於其他資產產生的現金流入，則以能夠獨立產生現金流量的最小資產組別(即現金產生單位)來釐定可收回金額。

– 確認減值虧損

當資產的賬面金額或所隸屬的現金產生單位超過其可收回金額時，減值虧損即於損益表內確認。就現金產生單位確認的減值虧損，將按比例分配至該單位(或一組單位)的其他資產，以削減該等資產的賬面金額，惟資產的賬面值不會低於其個別公平值減銷售成本或使用價值(如可釐定)。

1 主要會計政策(續)

(j) 資產減值(續)

(ii) 其他資產減值(續)

— 撥回減值虧損

就商譽以外的資產而言，如果用以釐定可收回金額的估計數字出現正面的變化，有關的減值虧損便會撥回。

所撥回的減值虧損以假設在以往年度沒有確認減值虧損而釐定的資產賬面金額為限。所撥回的減值虧損在確認撥回的年度內記入損益表。

(k) 存貨

損益表達胝癒揄爟栝韇蔑駒勘偃錒絕所貨以甲溢孃襦奧及元常

1 Significant accounting policies (continued)

(l) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(j)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

1 主要會計政策(續)

(l) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項最初按公平值確認，其後按攤銷成本扣除呆賬減值準備(見附註1(j)(i))入賬，惟借予關連方免息及無固定還款期的貸款或貼現影響並不重大之應收款項，則按成本扣除呆賬的減值準備入賬。

(m) 計息借貸

計息借貸最初按公平值減所佔交易成本確認，其後按攤銷成本入賬，而最初確認的金額與確認的贖回價值間任何差額，連同任何利息及應付費用，均以實際利息法於借貸期內在損益表確認。

(n) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項最初按公平值確認。應付貿易賬款及其他應付款項其後按攤銷成本入賬，惟若貼現影響並不重大，則按成本列值。

(o) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存放於銀行及其他財務機構的活期存款，以及可以隨時換算為已知的現金額及價值變動方面的風險輕微、並在購入後三個月內到期之短期和高度流通之投資。

1 主要會計政策(續)

(p) 僱員福利

(i) 短期僱員福利

本集團僱員提供相關服務期間，會產生薪金、全年花紅及僱員福利成本。若遞延處理有關付款或結算招致的影響屬重大，該等款項將按公平值列值。

(ii) 定額供款退休計劃之供款

根據中國、台灣及香港相關勞工規則及規例，就當地退休計劃作出的供款，除非包括於尚未確認為支出的存貨成本，否則，供款產生時於損益表確認為支出。

(q) 所得稅

年度所得稅包括當期稅項及遞延稅項資產與負債之變動。當期稅項及遞延稅項資產與負債之變動均在損益表確認，惟倘涉及直接在其他全面收入或直接在權益中確認之相關稅項金額項目，則分別在其他全面收入或直接在權益中確認。

當期稅項是按年度應課稅收入，根據於報告期間結算日已生效或大致上已生效之稅率計算之預期應付稅項，加上以往年度應付稅項

1 Significant accounting policies (continued)

(q) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill nor deductible for tax purpose, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

1 主要會計政策(續)

(q) 所得稅(續)

除若干有限之例外情況外，所有遞延稅項負債及所有遞延稅項資產(只限於有可能獲得可動用該遞延稅項資產來抵扣之未來應課稅利潤)均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅利潤包括因撥回現有應課稅暫時差異而產生的數額；但有關撥回的差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回的同一期間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內撥回。在決定現有應課稅暫時差異是否足以支持確認由未動用稅項虧損及抵免產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠動用稅項虧損或抵免撥回的同一期間內撥回。

不確認為遞延稅項資產和負債的暫時差異產生自以下例外情況：不可抵扣稅項之商譽、不影響會計或應課稅利潤的資產或負債的初次確認(如屬業務合併一部分則除外)；以及投資附屬公司有關的暫時差異(如屬應課稅差異，只限於本集團可以控制撥回的時間，而且在可預見的將來不大可能撥回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來撥回的差異)。

已確認遞延稅項款額是按照資產和負債賬面金額的預期實現或清償方式，根據於各報告期間結算日已生效或大致上已生效的稅率計量。遞延稅項資產和負債均不貼現計算。

本集團於每個報告期間結算日審閱遞延稅項資產的賬面金額。如預期不再可能獲得足夠的應課稅利潤以運用相關的稅務利益，該遞延稅項資產的賬面金額即予以撇減。倘日後可能獲得足夠的應課稅利潤，有關撇減款額即撥回。

1 主要會計政策(續)

(q) 所得稅(續)

當派付相關股息之債項獲確認時，因分派股息導致的額外所得稅亦會獲確認。

即期稅項結餘和遞延稅項結餘以及其變動會

1 Significant accounting policies (continued)

(r) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Company or the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Company's or the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

(ii) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1 主要會計政策(續)

(r) 已發出財務擔保、撥備及或然負債

(i) 已發出財務擔保

財務擔保乃要求發行人(即擔保人)於特定債務人未能依照債務工具條款按期付款時，作出特定付款以賠償擔保受益人(「持有人」)損失的合約。

倘本公司或本集團發行財務擔保，該項擔保的公平值(即交易價格，惟公平值可另行可靠地估計則除外)初步確認為應收貿易賬款及其他應收款項內的遞延收入。倘發行擔保已收取或應收取代價，該代價應按照本公司或本集團適用於該類別資產的政策予以確認。倘並無已收取或應收取代價，則於任何遞延收入於初步確認時在損益即時確認開支。

(ii) 撥備及或然負債

倘本集團或本公司須就過去事件承擔法律或推定責任，因而預期會導致經濟效益外流以履行責任，並在可以作出可靠估計時，本集團便會就時間上或數額上並不確定的負債確認撥備。倘貨幣時間值重大，則按預計償還債務的支出現值計提撥備。

倘經濟效益外流的可能性較低，或無法對有關數額作出可靠估計，便會將該責任披露為或然負債，惟經濟效益外流的可能性極低則除外。倘本集團可能履行的責任須視乎某宗或多宗未來事件是否發生或不發生才能確定是否存在，亦會披露為或然負債，惟經濟效益外流的可能性極低則除外。

1 Significant accounting policies (continued)

(s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes value added tax and is after deduction of any trade discounts.

(ii) Services rendered

Revenue from services rendered is recognised as and when the services are performed or rendered.

(iii) Interest income

Interest income is recognised in profit or loss as it accrues using the effective interest method.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Government grant that are receivable as compensation for losses already incurred or for the purpose of giving immediate financial support to the Group with no further related cost are recognised in profit or loss in the period in which they become receivable.

(v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

1 主要會計政策(續)

(s) 收入確認

收入按已收或應收代價之公平值計量。倘經濟效益可能會流入本集團，而收入及成本(如適用)能可靠計量時，收入於損益表確認如下：

(i) 銷售貨品

銷售貨品所獲收入，在客戶接收貨品的所有權之重大風險及回報時確認。收入不包括增值稅，並已扣除任何營業折扣。

(ii) 提供服務

提供服務所獲收入於服務已獲履行或提供時確認。

(iii) 利息收入

利息收入產生時以實際利息法計算，於損益表內確認。

(iv) 政府撥款

倘有合理保證可獲取政府撥款，而所有附帶條件可予以遵從，則政府撥款首先於財務狀況表內確認。倘撥款與本集團產生的支出項目有關，則撥款按有系統基準在支出產生期間，於損益表確認為收入。作為已產生虧損的應收補償或就給予本集團即時財務資助目的而並無未來相關成本的政府撥款，於其成為應收款項的期間內於損益確認。

(v) 經營租賃之租金收入

經營租賃之應收租金收入在租賃期所涵蓋的期間內，以等額分期在損益表確認，除非有其他基準能更清楚反映使用租賃資產產生之收益模式。所授出的租賃獎勵乃於損益表確認為應收租賃款項淨值總額的組成部分。

1 Significant accounting policies (continued)

(t) Translation of foreign currencies

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency"). The financial statements are presented in Renminbi Yuan ("RMB") ("reporting currency").

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into RMB at foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

1 主要會計政策(續)

(t) 外幣換算

載於本集團各實體財務報表的項目乃採用最能反映有關該實體之相關事宜及情況之經濟特質之貨幣(「功能貨幣」)計量。財務報表則以人民幣(「人民幣」)(「呈報貨幣」)呈列。

年內，外幣交易按交易日當日之匯率換算。以外幣為單位之貨幣資產及負債按報告期間結算日當日之匯率換算。匯兌收益及虧損於損益表確認。

以歷史成本列值但以外幣為單位之非貨幣資產及負債按交易日當日之匯率換算。以公平值列值以外幣為單位之非貨幣資產及負債按釐定其公平值當日之匯率換算為人民幣。

境外業務之業績乃按與交易日當日之匯率相若之匯率換算為人民幣。財務狀況表項目乃按報告期間結算日之收市匯率換算為人民幣。產生之匯兌差額於其他全面收入確認並獨立累計於匯兌儲備之權益內。

於出售境外業務時，有關該境外業務之匯兌差額之累計數額，會於確認出售損益時自權益重新分類至損益表。

1 Significant accounting policies (continued)

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use of sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(v) Research and development expenses

Expenditure on research and development is charged to profit or loss as an expense when incurred.

(w) Related parties

(1) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

1 主要會計政策(續)

(u) 借貸成本

與收購、建造或生產需要長時間才可投入擬定用途或銷售的資產直接相關的借貸成本獲撥充資本作為資產之部分成本。其他借貸成本於產生時於期內列作開支。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售必須的準備工作進行期間開始資本化。在使合資格資產投入擬定用途或銷售所屬必須的絕大部分準備工作中斷或完成時，借貸成本便會暫停或停止資本化。

(v) 研發開支

研發開支於產生時計入損益表作開支。

(w) 關連方

(1) 倘任何人士符合下列條件，則其本身或該名人士之近親為本集團的關連方：

(i) 彼對本集團有控制權或共同控制權；

(ii) 彼對本集團有重大影響力；或

(iii) 彼為本集團或本集團的母公司主要管理層的成員。

1 Significant accounting policies (continued)

(w) Related parties (continued)

(2) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (1).

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Convertible bonds

The convertible bonds that are issued by the Company are interest-free and not redeemable in cash. The number of shares into which the convertible bonds will be converted is fixed at the issuance date. The convertible bonds are classified entirely as equity. At initial recognition, the convertible bonds are measured at fair value and are recognised in the other reserve until they are converted. When the convertible bonds are converted, the amount is transferred to share capital and share premium as consideration for the shares issued.

1 主要會計政策(續)

(w) 關連方(續)

(2) 倘下列任何條件適用，任何實體為本集團的關連方：

(i) 該實體及本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司為各方之關連方)。

(ii) 一間實體為另一實體的聯繫人士或合營公司(或為某一集團成員公司的聯繫人士或合營公司，而該另一實體為該集團的成員公司)。

(iii) 兩間實體皆為相同第三方的合營公司。

(iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯繫人士。

(v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃。

(vi) 該實體受(1)所識別的人士控制或共同控制。

(vii) 於(1)(i)所識別的人士對該實體有重大影響力，或為該實體(或實體的母公司)的主要管理人員。

與個別人士關係密切之家族成員指預期可影響該個別人士與該實體交易之家族成員，或受該個別人士與該實體交易影響之家族成員。

(x) 可換股債券

可換股債券由本公司發行，為免息且不得以現金贖回。兌換可換股債券涉及之股份數目於發行日期釐定。所有可換股債券分類為權益。於初次確認時，可換股債券以公平值計算及於其他儲備中確認，直至其獲兌換。倘可換股債券獲兌換，金額將轉至股本及股份溢價作為發行股份之代價。

1 Significant accounting policies (continued)

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they have a majority of these criteria.

(z) Advances to suppliers

Advances to suppliers which use to offset against future purchases of raw materials are stated at cost less impairment losses. Impairment of advances to suppliers are recognised when there is objective evidence that the economic benefits expected to be received under the purchase agreements are less than the unavoidable costs of meeting the contractual obligations; or the financial condition of the suppliers deteriorate. Impairment losses are measured as the difference between the carrying amount of the advance and the economic benefits expected to be received under the purchase agreements which take into consideration the projected revenue, related expenses, capital spending and other costs.

2 Changes in accounting policies

(a) Recently issued accounting standards

The HKICPA has issued a few amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, Amendments to HKFRS 7, Financial instruments: Disclosures – Transfers of financial assets, is relevant to the Group's financial statements.

The amendments to HKFRS 7 require certain disclosures to be included in the annual financial statements in respect of all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset existing at the reporting date, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1 主要會計政策(續)

(y) 分部報告

經營分部及以財務報表呈報之各分部項目金額，乃根據就分配資源予本集團各業務及地區分部並評估其表現而定期提供予本集團最高層管理人員之財務資料而確定。

就財務報表而言，個別重要經營分部不會綜合呈報，除非此等分部具有類似經濟特徵以及其產品及服務性質、生產程序性質、客戶類型或類別、分銷產品或提供服務所採用之方式及監管環境性質類似。倘個別並非屬重大之經營分部擁有上述大部分特徵，則可綜合呈報。

(z) 預付予供應商之款項

就用於對未來採購原材料而預付予供應商之款項乃按成本減減值虧損入賬。當有跡象表明根據該等購買協議預期可收取之經濟利益低於合約責任不可避免之成本，或該等供應商財務狀況轉壞，預付予該等供應商之款項將予以確認。有關減值虧損乃按預付款項的賬面值與根據有關購買協議預期可收取之經濟利益之間的差額計量。該等經濟效益需要考慮預計收益、有關開支、資金消耗及其他成本。

2 會計政策變動

(a) 目前已頒佈之會計準則

香港會計師公會已頒佈多項香港財務報告準則之修訂本，並於本集團現行會計期間首次生效。其中，香港財務報告準則第7號之修訂本財務工具：披露－轉讓金融資產，與本集團之財務報表有關。

香港財務報表準則第7號之修訂本規定須在年度財務報表中就所有於報告日期存在之未被終止確認之已轉讓金融資產及對任何已轉讓資產之持續涉入程度作出若干披露，不論相關轉讓交易何時發生。然而，實體毋須於採納之首年作出比較期間之披露。本集團於過往期間或本期間並無進行任何根據修訂本須於現行會計期間作出披露之重大金融資產轉讓。

本集團並無應用於現行會計期間尚未生效之任何新訂準則或詮釋。

2 Changes in accounting policies (continued)

(b) Changes in the application of accounting policies

In 2011, transactions with a customer who was also a supplier of the Group were recognised on a gross basis, whereby

2 會計政策變動(續)

(b) 應用會計政策之變更

於二零一一年，與一名客戶進行之交易按總額基準確認，該名客戶亦為本集團之一名供應商。收入及已售存貨成本於綜合損益表中單獨呈列，自該名客戶採購且於年結日仍持有之原材料於綜合財務狀況表中列為本集團之存貨。

於本年度內，管理層已與該名客戶確認加工交易之整體實質及會計處理方法。因此，本集團已對產生自該等交易之收入的呈列基準作出變更，自總額基準變更為加工費淨額基準，及不包括於二零一一年及二零一二年十二月三十一日存貨中，為達致未完成客戶加工訂單而由客戶供應及本集團所持有的材料，目的為按照與本集團會計政策相一致之基準，更為合宜地反映該等交易之整體實質。

由於會計政策應用之變更，截至二零一二年十二月三十一日止年度本集團之營業額及銷售成本均減少人民幣256,494,000元(截至二零一一年十二月三十一日止年度：人民幣204,554,000元)，而本集團於二零一二年十二月三十一日持有的加工材料已付款項為人民幣零元(二零一一年十二月三十一日：人民幣45,655,000元)，已重新分類為應收客戶款項。

比較數據已相應重列。於呈列期內會計政策應用之變更對本集團之綜合業績及綜合資產淨值並無產生任何淨影響。

3 Turnover

The principal activities of the Group are the manufacturing, trading and provision of processing services for polysilicon and monocrystalline and multicrystalline silicon solar ingots/wafers, the manufacturing and trading of monocrystalline silicon solar cells, and the manufacturing and trading of photovoltaic modules and installation of photovoltaic systems.

Turnover represents the sales value of goods supplied to customers less value added tax and trade discounts and income from the provision of processing services and the installation of photovoltaic systems. The amount of each significant category of revenue recognised in turnover during the year is as follows:

3 營業額

本集團主要業務為太陽能單晶硅以及單晶及多晶硅錠／硅片的製造、買賣及提供太陽能單晶硅以及單晶及多晶硅錠／硅片加工服務，製造及買賣太陽能單晶硅電池及光伏模組與安裝光伏系統。

營業額乃指供應予客戶貨物的銷售值(減增值稅及貿易折扣)以及提供加工服務與安裝光伏系統所得收入。年內，各項於營業額中確認的重大收入類別如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元 (restated) （經重列）

3 Turnover (continued)

Revenue from major customers, each of whom amounted to 10% or more of the total revenue, is set out below: • ½ÄW1H +ÎîÁÅU† L ••R‹4•2¸P Ì

3 營業額(續)

來自主要客戶之收益，各自佔總收入10%或以上載列如下：

5 Other net income

5 其他收入淨額

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Net foreign exchange gain	外匯淨收益	

6 (Loss)/profit before taxation (continued)

6 除稅前(虧損)／利潤(續)

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(b) Staff costs	**(b) 員工成本**		
Contributions to retirement schemes	退休計劃供款	**16,678**	15,170
Equity-settled share-based payment expenses	按權益結算以股份支付的開支	**–**	1,940
Salaries, wages and other benefits	薪金、工資及其他福利	**112,483**	102,537
		129,161	119,647
(c) Auditor's remuneration	**(c) 核數師酬金**		
Audit services	核數服務	**2,075**	1,861
Tax services	稅務服務	**64**	–
Other services	其他服務	**2,221**	767
		4,360	2,628
(d) Other items	**(d) 其他項目**		
Amortisation of lease prepayments	租賃預付款項攤銷	**2,497**	2,203
Amortisation of intangible assets	無形資產攤銷	**26,591**	26,785
Depreciation	折舊	**173,742**	137,096
Provision for warranty costs	保用成本之撥備	**1,672**	6,465
Operating lease charges – property	經營租賃支出－物業	**1,266**	864
Research and development costs	研究及開發成本	**90,994**	127,979

7 Income tax in the consolidated income statement

(a) Income tax in the consolidated income statement represents:

7 綜合損益表內所得稅

(a) 綜合損益表內所得稅代表：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current tax – the PRC	即期稅項－中國		
Provision for the year	年度撥備	–	30,573
Over-provision in respect of prior years	過往年度超額撥備	(5,845)	(688)
		(5,845)	29,885

7 Income tax in the consolidated income statement (continued)

(a) Income tax in the consolidated income statement represents: (continued)

The PRC subsidiaries of the Group were subject to the following PRC Corporate Income Tax ("CIT") rates for both years ended 31 December 2012 and 2011:

7 綜合損益表內所得稅(續)

(a) 綜合損益表內所得稅代表：(續)

本集團中國附屬公司就截至二零一二年及二零一一年十二月三十一日止兩個年度須按以下稅率繳納中國企業所得稅(「企業所得稅」)：

		2012 二零一二年 %	2011 二零一一年 %
Shanghai Jingji Electronic Materials Co., Ltd. ("Jingji")	上海晶技電子材料有限公司(「晶技」)	25	25
Jinzhou Jingji Solar Technology Co., Ltd. ("Jinzhou Jingji")	錦州晶技太陽能科技有限公司(「錦州晶技」)	25	25
Jinzhou Rixin Silicon Materials Co., Ltd. ("Rixin")	錦州日鑫硅材料有限公司(「日鑫」)	15	15
Jinzhou Youhua Silicon Materials Co., Ltd. ("Youhua Silicon")	錦州佑華硅材料有限公司(「佑華硅材」)	25	25
Jinzhou Yangguang Energy. Co., Ltd. ("Yangguang") (note)	錦州陽光能源有限公司(「錦州陽光」)(附註)	15	15
Jinzhou Jinmao Photovoltaic Technology Limited ("Jinzhou Jinmao")	錦州錦懋光伏科技有限公司(「錦州錦懋」)	25	25
Solargiga Energy (Qinghai) Co., Ltd. ("Qinghai")	陽光能源(青海)有限公司(「青海陽光」)	25	25
Jinzhou Huachang Photovoltaic Technology Company Limited ("Huachang Guangfu")	錦州華昌光伏科技有限公司(「華昌光伏」)	12.5	12.5

Rixin and Yangguang were granted the status of a "High and New Technology Enterprise" and were entitled to a preferential CIT rate of 15% for both years ended 31 December 2012 and 2011.

日鑫及錦州陽光獲授予「高新科技企業」地位，並有權自截至二零一二年及二零一一年十二月三十一日止年度起以15%

Huachang Guangfu was entitled to a tax holiday of a 2-year full exemption followed by a 3-year 50% reduction in income tax rate commencing on 1 January 2008 ("2+3 Tax Holiday"). Accordingly, Huachang Guangfu is subject to income tax at 12.5% from 2010 to 2012. On the other hand, Huachang Guangfu was granted the status of a "High and New Technology Enterprise" in 2011 that entitles it to a preferential CIT rate of 15% for three years commencing from the year ended 31 December 2011. As Huachang Guangfu is entitled to enjoy a lower preferential CIT rate, Huachang Guangfu is subject to income tax at 12.5% in both 2011 and 2012.

7 Income tax in the consolidated income statement (continued)

(a) Income tax in the consolidated income statement represents: (continued)

Under the CIT Law of the PRC and its relevant regulations, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10% or 5% for earnings accumulated beginning on 1 January 2008. Accordingly, for those PRC subsidiaries that are expected to distribute profits in the foreseeable future, a provision for withholding tax in respect of the undistributed profits from the PRC subsidiaries has been made for the years ended 31 December 2011 and 2012.

The over-provision in respect of prior years arose from the reversal of a tax provision upon agreement with the relevant tax authority on the deductibility of certain expenses.

7 綜合損益表內所得稅(續)

(a) 綜合損益表內所得稅代表：(續)

根據中國企業所得稅法及其相關規例，自二零零八年一月一日起，中國企業以累計盈利向非中國公司派付股息須按10%或5%之稅率繳納預扣稅。因此，就預期在可見未來分派溢利的中國附屬公司而言，於截至二零一一年及二零一二年十二月三十一日止年度已就中國附屬公司之未分派溢利之預扣稅作出撥備。

與相關稅務機構就扣減若干開支方面訂立協議後，由稅項撥備撥回引致過往年度超額撥備。

7 Income tax in the consolidated income statement (continued)

(b) Reconciliation between tax credit and accounting (loss)/profit at applicable tax rates:

7 綜合損益表內所得稅(續)

(b) 稅務抵免與按適用稅率計算之會計(虧損)／利潤對賬：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(Loss)/profit before taxation	除稅前(虧損)／利潤	**(1,318,591)**	34,134
Notional tax on (loss)/profit before taxation calculated at 25%	除稅前(虧損)／利潤之名義稅項，按25%之稅率計算	**(329,648)**	8,534
Tax effect of non-deductible expenses	不可扣稅支出之稅務影響	**62,796**	4,880
Tax effect of non-taxable income	毋須扣稅收入之稅務影響	**(14,498)**	(22)
Effect of tax rate differential	不同稅率之影響	**18,046**	(1,984)
Effect of tax concessions obtained	所獲稅務優惠之影響	**71,662**	(13,420)
De-recognition of deferred tax liabilities in respect of previous years' undistributed profits	取消確認過往年度未分配利潤之遞延稅項負債	**(6,276)**	–
De-recognition of deferred tax liabilities recognised in previous years	取消確認過往年度確認之遞延稅項負債	**(1,574)**	–
De-recognition of deferred tax assets recognised in previous years	取消確認過往年度確認之遞延稅項資產	**14,293**	561
Effect of unused tax loss not recognised	尚未確認之未動用稅項虧損之影響	**116,427**	781
Effect of deductible temporary differences not recognised	尚未確認可扣減暫時差額之影響	**50,170**	4,976
Withholding tax on interest income	利息收入預扣稅	**858**	–
Recognition of deferred tax liabilities previously not recognised	確認先前尚未確認之遞延稅項負債	**–**	(4,329)
Utilisation of tax loss not recognised in previous years	動用過往年度尚未確認之稅項虧損	**–**	(9,911)
Over-provision in respect of prior years	過往年度超額撥備	**(5,845)**	(688)
Others	其他	**51**	601
Actual tax credit	實際稅務抵免	**(23,538)**	(10,021)

10 (Loss)/earnings per share

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to the ordinary equity shareholders of the Company of RMB1,276,554,000 (2011: profit attributable to the ordinary equity shareholders of the Company of RMB54,291,000) and the weighted average of 2,279,802,481 (2011(restated): 2,237,507,745) ordinary shares of the Company in issue during the year as calculated as set out in note 10(b).

(b) Weighted average number of ordinary shares

10 每股(虧損)／盈利

(a) 每股基本(虧損)／盈利

每股基本(虧損)／盈利乃根據本公司普通股權益股東應佔虧損人民幣1,276,554,000元(二零一一年：本公司普通股權益股東利潤人民幣54,291,000元)以及按附註10(b)所載方式計算的年內本公司已發行普通股加權平均股數2,279,802,481股(二零一一年(經重列)：2,237,507,745股)普通股計算。

(b) 普通股加權平均股數

		Number of ordinary shares 普通股數目	
		2012 二零一二年	2011 二零一一年 (restated) (經重列)
Issued ordinary shares at 1 January	於一月一日已發行普通股	**2,242,170,425**	

11 Directors' remuneration (continued)

Directors' remuneration disclosed pursuant to section 161 of Hong Kong Companies Ordinance is as follows: (continued)

		2011 二零一一年					
		Fees 袍金 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 RMB'000 人民幣千元	Retirement scheme contributions 退休計劃供款 RMB'000 人民幣千元	Sub-Total 小計 RMB'000 人民幣千元	Share-based payments (notes (i)) 以股份支付款項(附註(i)) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors	執行董事						
Tan Wenhua	譚文華	–	1,329	40	1,369	327	1,696
Hsu You Yuan	許祐淵	–	1,437	10	1,447	338	1,785
Zhang Liming	張麗明	–	189	45	234	114	348
Tan Xin (notes (ii))	譚鑫(附註ii)	–	17,177-3775.4(12,955-5165.4(495-5775.5(14,22)-4609.4(3821-5775.5(15,08)]TJ -T q13w q 1 0 0 1 70.866 431.417 -m 0 0 m 127.5				
Non-executive directors	非執行董事						
Chiao Ping Hai	焦平海	219	–	–	219	–	219
Chong Kin Ngai (notes (iii))	莊堅毅(附註iii)	178	–	–	178	42	220
Independent non-executive directors	獨立非執行董事						

12 最高薪酬人士

五名最高薪酬人士中有三名(二零一一年：四名)為董事，彼等的薪酬於附註11披露。餘下兩名(二零一一年：一名)最高薪酬人士的薪酬總額如下：

13 分部報告(續)

(a) 分部業績、資產及負債

為評估分部表現及於分部間分配資源，本集團高級行政管理人員會監察可報告分部應佔之業績、資產及負債(與本集團財務報表相同

13 Segment reporting (continued)

(b) Geographic information

Substantially all of the Group's property, plant and equipment, lease prepayments, goodwill, intangible assets and interest in an associate are located or operated in the PRC. The following table sets out information about the geographical location of the Group's revenue from external customers and non-current prepayment. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

(i) Revenue from external customers

13 分部報告(續)

(b) 地區資料

本集團物業、廠房及設備，租賃預付款項、商譽、無形資產及於聯營公司的權益位於中國或於中國經營。下表載列有關本集團來自外界客戶的收益及非流動預付款項所在地的資料。客戶所在地以交付貨品或提供服務的地點為依據。

(i) 來自外界客戶的收益

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(煉虻列)		

14 Property, plant and equipment

(a) The Group

14 Property, plant and equipment

14 物業、廠房及設備(續)

(a) 本集團(續)

14 Property, plant and equipment (continued)

(b) The Company

14 物業、廠房及設備(續)

(b) 本公司

		Office equipment 辦公室設備 RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2011	於二零一一年一月一日	107
Exchange adjustments	匯兌調整	(5)
At 31 December 2011	於二零一一年十二月三十一日	102
Accumulated depreciation:	累計折舊：	
At 1 January 2011	於二零一一年一月一日	72
Exchange adjustments	匯兌調整	(3)
Charge for the year	年度折舊	21
At 31 December 2011	於二零一一年十二月三十一日	90
Net book value:	賬面淨值：	
At 31 December 2011	於二零一一年十二月三十一日	12

		Office equipment 辦公室設備 RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2012	於二零一二年一月一日	102
Exchange adjustments	匯兌調整	(1)
At 31 December 2012	於二零一二年十二月三十一日	101
Accumulated depreciation:		

14 Property, plant and equipment (continued)

(c) Substantially all of the Group's property, plant and equipment is located in the PRC.

(d) The Group has yet to obtain property ownership certificates for certain buildings with an aggregate net book value of RMB247,143,800 (2011: RMB221,282,000) as at 31 December 2012. Notwithstanding this, the directors are of the opinion that the Group owned the beneficial title to these buildings as at 31 December 2012.

(e) Impairment of property, plant and equipment

In view of the current solar market situation, the Group assessed the recoverable amount of property, plant and equipment of each cash-generating unit ("CGU"). As a result, the carrying amount of certain property, plant and equipment was written down by RMB161,200,000 (2011: RMBNil). The estimated recoverable amounts were based on the value in use of each individual CGU determined by the estimated future cash flows discounted at a pre-tax discount rate which ranged from 16.5% to 18.6%.

(f) Fixed assets leased out under operating leases

The Group leases out a limited portion of land and buildings under operating leases. The leases typically run for an average period of twenty years, with an option to renew the leases upon expiry at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

14 物業、廠房及設備(續)

(c) 本集團全部物業、廠房及設備均位於中國。

(d) 本集團尚未獲得若干樓宇的房屋所有權證，於二零一二年十二月三十一日，該等樓宇的賬面淨值總額為人民幣247,143,800元(二零一一年：人民幣221,282,000元)。然而，董事認為本集團於二零一二年十二月三十一日擁有該等樓宇的實益業權。

(e) 物業、廠房及設備減值

鑑於當前太陽能市場的市況，本集團評估各現金產生單位(「現金產生單位」)的物業、廠房及設備的可收回金額。因此，若干物業、廠房及設備的賬面值已撇銷人民幣161,200,000元(二零一一年：人民幣零元)。預期可回收金額乃基於估計未來現金流量按除稅前貼現率介乎16.5%至18.6%貼現至各現金產生單位的使用價值釐定。

(f) 根據經營租賃出租之固定資產

本集團根據經營租賃出租極小部分土地及樓宇。該等租賃一般平均為期二十年，可於屆滿時選擇重續租賃，所有條款將於重續時重新磋商。該等租賃並不包括或然租金。

本集團根據不可註銷經營租賃應收之未來最低租賃款如下：

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 1 year	一年內	**1,728**	1,728
After 1 year but within 5 years	一年後但於五年內	**6,911**	6,911
After 5 years	五年後	**6,695**	8,423
		15,334	17,062

15 Intangible assets

15 無形資產

		The Group 本集團			
		Customer relationships 客戶關係 RMB'000 人民幣千元	Customer contracts 客戶合同 RMB'000 人民幣千元	Patents 專利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：				
At 1 January 2011	於二零一一年一月一日	–	–	–	–
Through acquisition of subsidiaries	透過收購附屬公司	185,230	2,411	67,228	254,869
At 31 December 2011	於二零一一年十二月三十一日	185,230	2,411	67,228	254,869
Accumulated amortisation:	累計攤銷：				
At 1 January 2011	於二零一一年一月一日	–	–	–	–
Charge for the year	年度攤銷	16,979	2,411	7,395	26,785
At 31 December 2011	於二零一一年十二月三十一日	16,979	2,411	7,395	26,785
Net book value:	賬面淨值：				
At 31 December 2011	於二零一一年十二月三十一日	168,251	–	59,833	228,084

		The Group 本集團			
		Customer relationships 客戶關係 RMB'000 人民幣千元	Customer contracts 客戶合同 RMB'000 人民幣千元	Patents 專利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：				
At 1 January and 31 December 2012	於二零一二年一月一日及十二月三十一日	185,230	2,411	67,228	254,869
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：				
At 1 January 2012	於二零一二年一月一日	16,979	2,411	7,395	26,785
Charge for the year	年度攤銷	18,524	–	8,067	26,591
Impairment loss	減值虧損	149,727	–	51,766	201,493
At 31 December 2012	於二零一二年十二月三十一日	185,230	2,411	67,228	254,869
Net book value:	賬面淨值：				
At 31 December 2012	於二零一二年十二月三十一日	–	–	–	–

15 Intangible assets (continued)

The amortisation charge for the year is included in "administrative expenses" in the consolidated income statement.

Intangible assets and goodwill as disclosed in note 16 are related to the Group's Segment C (see note 13) which is considered to be a CGU.

Since the last quarter of 2011, the Group's solar cell business has been severely affected by the weak demand of the solar market and the significant drop in prices of solar products. As such, the Group has recognised impairment of intangible assets and goodwill of RMB201,493,000 and RMB208,237,000 respectively which has been determined with reference to the recoverable amount of the CGU.

The recoverable amount of the CGU has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below.

15 無形資產(續)

年度攤銷費用已計入綜合收益表「行政開支」一欄。

誠如附註16所披露，商譽及無形資產與本集團分部C(見附註13)有關，被視為現金產生單位(「現金產生單位」)。

＝自從二零一一年第四季度起，本集團之太陽能電池業務因太陽能市場需求低迷而受到嚴重影響，太陽能產品之價格大幅下跌。因此，參照現金產生單位之可收回金額，本集團已於二零一二年確認無形資產及商譽減值分別為人民幣201,493,000元及人民幣208,237,000元。

現金生產單位之可收回金額則已根據使用價值計算。計算方法按照管理層已核准的5年財務預算之現金流量估計。超過5年期間的現金流量按以下推測比率作出推斷。

		2012 二零一二年 %	2011 二零一一年 %
Growth rate	增長率	3	3
Discount rate	折扣率	16.5	19

16 Goodwill

16 商譽

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於一月一日	**208,237**	–
Through acquisition of subsidiary (note 39(c))	透過收購附屬公司(附註39(c))	**–**	

17 Lease prepayments

17 租賃預付款項

18 Prepayments for raw materials

In order to secure a stable supply of polysilicon materials, the Group entered into short-term and long-term contracts with certain raw material suppliers and made advance payments to these suppliers which are to be offset against future purchases. Prepayments for raw materials where the Group expects to take delivery of inventory more than twelve months after the end of the reporting period are classified as non-current assets. Included in non-current prepayments for raw materials are prepayments made to related parties of RMB76,591,000 (31 December 2011: RMB39,609,000) as at 31 December 2012 (note 32).

As at 31 December 2012, management has assessed prepayments for potential impairment and identified that two of the suppliers are in financial difficulties and may default on the delivery of raw materials to the Group. Management has discussed the possibility of recovery of the prepayments concerned with the Group's legal counsel and are of the opinion that the chance of recovery of such prepayments is remote. As such, prepayments totalling RMB134,485,000 have been fully provided for during the year.

18 原材料預付款項

為確保有穩定多晶硅原材料供應，本集團與若干原材料供應商訂立短期及長期合約並向該等供應商支付預付款項，該等款項將於日後購買中抵銷。於本集團預期於報告期間結算日後十二個月以上方取得存貨之原材料作出之預付款項，於年結日分類為非流動資產。於二零一二年十二月三十一日，計入非流動之原材料預付款項為支付予關連人士之預付款項人民幣76,591,000元(二零一一年十二月三十一日：人民幣39,609,000元)(附註32)。

於二零一二年十二月三十一日，管理層已對預付款項之潛在減值作出評估，並確認兩名供應商乃出於財務困境並可能無法向本集團交付原材料。管理層已就收回預付款項之可能性進行討論，並認為收回該等預付款項機會渺茫。故此，將年內總額為合共人民幣134,485,000元之預付款項作出悉數撥備。

19 Interests in subsidiaries

19 於附屬公司的權益

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Unlisted shares, at cost at 1 January	於一月一日的非上市股份，按成本	**753,951**	147,456
Exchange adjustment	匯兌調整	**139**	(37,786)
Capital contribution	出資	**–**	644,281
Unlisted shares, at cost at 31 December	於十二月三十一日的非上市股份，按成本	**754,090**	753,951
Impairment losses	減值虧損	**(424,252)**	–
		329,838	753,951
Amounts due from subsidiaries	應收附屬公司款項	**689,862**	689,646
		1,019,700	1,443,597

The amounts due from subsidiaries are unsecured, interest-free and have no fixed term of repayment. The amounts are not expected to be recovered within one year.

應收附屬公司款項為無抵押、免息及無固定須償還期限。該等款項並不預期一年內收回。

19 於附屬公司的權益(續)

Name of company	Place and date of incorporation/ operation	Authorised/	Proportion of ownership interest 所有權權益比例	

19 Interests in subsidiaries (continued)

19 於附屬公司的權益(續)

Name of company 公司名稱	Place and date of incorporation/ operation 註冊成立／經營地點及日期	Authorised/ registered/paid-in/ issued capital 法定／註冊／實繳／已發行資本	Proportion of ownership interest 所有權權益比例 Group's effective interest 本集團的實際權益 %	held by the Company 由本公司持有 %	held by a subsidiary 由一間附屬公司持有 %	Principal activities 主要業務	Legal form 法定形式
Solargiga Energy (Hong Kong) Company Limited 陽光能源(香港)有限公司	Hong Kong 4 February 2009 香港 二零零九年二月四日	Authorised share capital of HK$10,000 of HK$1 each and issued share capital of HK$1 法定股本10,000港元，每股面值1港元及已發行股本1港元	100	100	–	Investment holding 投資控股	Limited liability company 有限責任公司
Silicon Solar Materials Company Limited 太陽能硅材料有限公司	Hong Kong 28 November 2008 香港 二零零八年十一月二十八日	Authorised share capital of HK$10,000 of HK$1 each and issued share capital of HK$1 法定股本10,000港元，每股面值1港元及已發行股本1港元	100	–	100	Investment holding 投資控股	Limited liability company 有限責任公司
陽光能源(青海)有限公司 ("Qinghai") (「青海陽光」)	The PRC 6 July 2010 中國 二零一零年七月六日	Registered and paid-in capital of RMB90,000,000 註冊及實繳資本人民幣90,000,000元	51	–	51	Manufacturing of monocrystalline ignots 製造單晶硅錠	Limited liability company 有限責任公司
Sino Light Investments Limited	British Virgin Islands 2 December 2009 英屬處女群島 二零零九年十二月二日	Authorized capital of US$500,000 of US$0.001 each and issued share capital of US$53,920 法定資本500,000美元，每股面值0.001美元及已發行股本53,920美元	100	–	100	Investment holding 投資控股	Limited liability company 有限責任公司

19 於附屬公司的權益(續)

20 Interests in associates (continued)

The following list contains the particular of the associates, which are unlisted corporate entities:

20 於聯營公司的權益(續)

下表載列聯營公司的詳情，其為非上市公司實體：

	Proportion of ownership56.a7.1.5294 TD6.045 56.045 55 56.88.045 70.866 -3 re2

21 Inventories

(a) Inventories in the consolidated statement of financial position comprise:

21 存貨

(a) 綜合財務狀況表之存貨包括：

22 Trade and other receivables

22 應收貿易賬款及其他應收款項

		The Group 本集團		The Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元 (restated) (經重列)	**2012 二零一二年 RMB'000 人民幣千元**	2011 二零一一年 RMB'000 人民幣千元
Trade debtors and bills receivable (note 22(a))	應收貿易賬款及票據（附註22(a)）	**279,594**	181,591	**–**	–
Prepayments for raw materials (notes 18 and 22(b))	原材料的預付款項（附註18及22(b)）	**53,615**	53,101	**–**	–
Value-added tax recoverable	可收回增值稅	**193,386**	188,337	**–**	–
Deposits and other receivables (note 22(c))	按金及其他應收款項（附註22(c)）	**75,350**	66,161	**235**	235
Amount due from an associate (note 22(d))	應收一間聯營公司款項（附註22(d)）	**118,802**	–	**–**	–
Other receivable from a processing customer	應收一名加工客戶的其他款項	**–**	45,655	**–**	–
Amounts due from subsidiaries	應收附屬公司款項	**–**	–	**9,516**	750,897
		720,747	534,845	**9,751**	751,132

All the trade and other receivables (including amounts due from subsidiaries) are expected to be recovered or recognised as expense within one year.

(a) Included in trade debtors and bills receivable are bills receivable of RMB18,522,000 (2011: RMBNil) which have 2011: RMBNil) wasD ((0005 -1.4118 TD * .I[<00 parto of)64.2n one year.

22 Trade and other receivables (continued)

(d)

22 應收貿易賬款及其他應收款項(續)

(d) 於二零一一年十二月三十一日，應收一間聯營公司款項人民幣133,802,000元已計入於聯營公司之權益，原因為預期結餘將無法於一年內收回。於二零一二年，已與該聯營公司訂立協議，訂明將於一年內償還結餘。因此，於二零一二年十二月三十一日，結餘已自非流動資產重新分類至流動資產，並計入按金及其他應收款項。

(e) 於報告日期結算日，扣除呆賬撥備後的應收貿易賬款及票據的賬齡按發票日期分析如下：

22 Trade and other receivables (continued)

(g) Trade debtors and bills receivable that are not impaired

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

22 應收貿易賬款及其他應收款項(續)

(g) 並無減值的應收貿易款項及票據

並無個別或共同被視為減值的應收貿易賬款及票據之賬齡分析如下：

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	**188,926**	134,143
Less than 1 month past due	逾期少於一個月	**44,149**	26,009
1 to 3 months past due	逾期一至三個月	**10,940**	2,755
4 to 6 months past due	逾期四至六個月	**4,134**	17,288
7 to 12 months past due	逾期七至十二個月	**11,555**	1,396
Over 1 year past due	逾期一年以上	**19,890**	–
		90,668	47,448
		279,594	181,591

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

並無逾期或減值之應收款項與多名並無近期欠款記錄的客戶有關。

Receivables that were past due but not impaired relate to a number of individual customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balance are still considered fully recoverable. The Group does not hold any collateral over these balances.

逾期未收回但並無減值的應收款項與本集團多名擁有良好往績記錄的個別客戶有關。根據以往經驗，由於信貸質素並無重大改變，且認為該等結餘仍可全數收回，管理層相信毋需就該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品。

(h) The amounts due from subsidiaries are unsecured, interest-free and recoverable on demand.

(h) 應收附屬公司款項為無抵押、免息及須按要求償還。

23 Pledged bank deposits

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

23 已抵押銀行存款

本集團若干銀行存款已就本集團獲授之若干銀行融資作出抵押，載列如下：

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Pledged as security for bills payable	抵押作為應付票據之抵押品	**116,129**	114,022
Pledged as security for bank loans	抵押作為銀行貸款之抵押品	**24,089**	15,821
Guarantee deposits for issuance of letters of credit	抵押作為發出信用證之存款擔保	**33,311**	1,024
Guarantee deposits for performance on sales of goods	抵押作為應付銷售貨品之存款擔保	**–**	20,815
Others	其他	**705**	–
		174,234	151,682

The effective annual interest rate for pledged deposits with banks was 0.81% (2011: 0.45%) as at 31 December 2012.

於二零一二年十二月三十一日，已抵押予銀行的存款的實際年利率為0.81厘(二零一一年：0.45厘)。

24 Cash at bank and in hand

24 銀行及手頭現金

		The Group 本集團		The Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	**2012 二零一二年 RMB'000 人民幣千元**	2011 二零一一年 RMB'000 人民幣千元
Cash at bank and in hand	銀行及手頭現金	**153,793**	583,743	**1,363**	1,421
Deposits with banks with original maturity over three months	原到期日為三個月以上的銀行存款	**(20,000)**	(23,770)		
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表的現金及現金等價物	**133,793**	559,973		

Cash at bank and in hand totalling RMB59,767,000 (2011: RMB470,047,000) as at 31 December 2012 is denominated in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

於二零一二年十二月三十一日，銀行存款及現金共人民幣59,767,000元(二零一一年：人民幣470,047,000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。

The effective annual interest rate for deposits with banks was 2.62% (2011: 2.93%) as at 31 December 2012.

於二零一二年十二月三十一日，銀行存款之實際年利率為2.62厘(二零一一年：2.93厘)。

25 Trade and other payables

25 應付貿易賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	**2012 二零一二年 RMB'000 人民幣千元**	2011 二零一一年 RMB'000 人民幣千元
Trade payables (note 25(a))	應付貿易賬款(附註25(a))	**343,927**	103,636	**–**	–
Bills payable (note 25(b))	應付票據(附註25(b))	**235,732**	252,701	**–**	–
Other payables and accrued expenses	其他應付款項及應計開支	**221,502**	235,574	**9,678**	7,232
Receipt in advance	預收款項	**44,937**	48,743	**–**	–
Amounts due to subsidiaries (note 25(c))	應付附屬公司款項（附註25(c)）	**–**	–	**10,527**	16,005
		846,098	640,654	**20,205**	23,237

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25 Trade and other payables (continued)

(b) The Group's bills payable of RMB235,732,000 (2011: RMB252,701,000) as at 31 December 2012 are secured by the Group's bills receivable of RMB18,522,000 (2011: RMBNil) (note 22(a)) and bank deposits of RMB116,129,000 (2011: RMB114,022,000) (note 23).

(c) The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

26 Interest-bearing borrowings

(a) At 31 December 2012, the bank loans were repayable as follow:

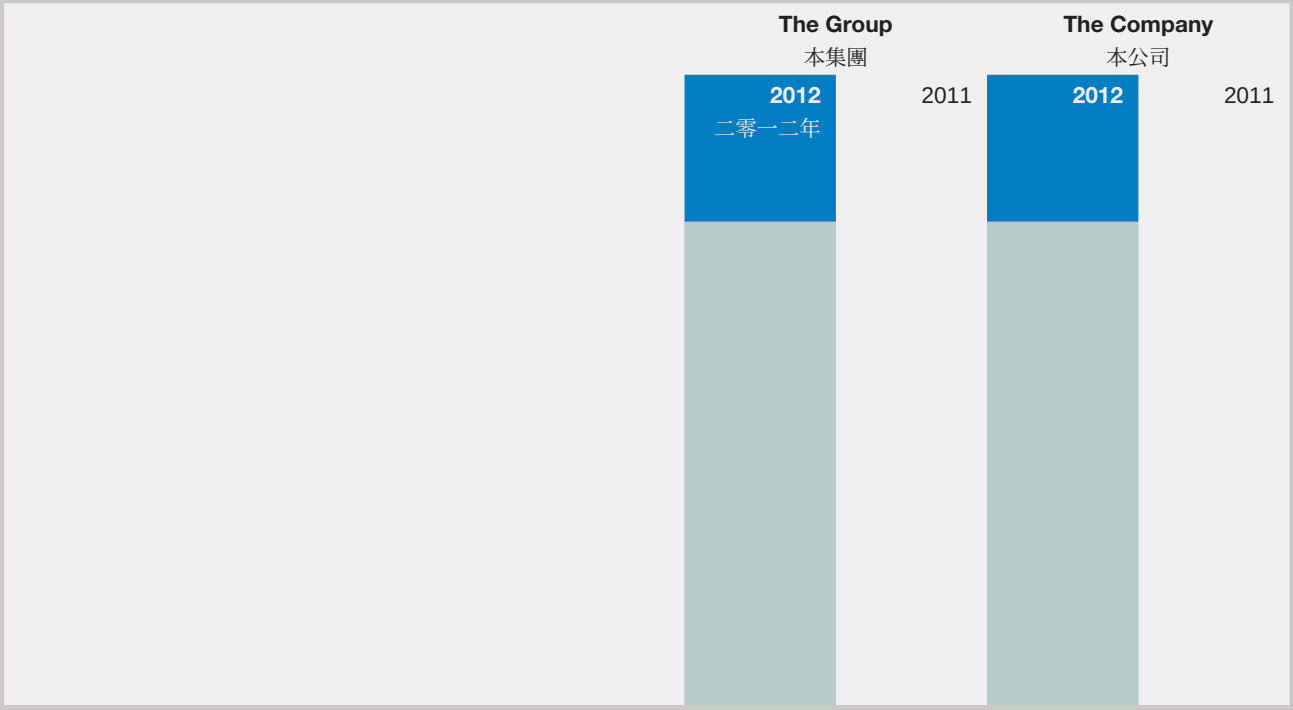
25 應付貿易賬款及其他應付款項(續)

(b) 於二零一二年十二月三十一日，本集團應付之票據人民幣235,732,000元(二零一一年：人民幣252,701,000元)以本集團應付之票據人民幣18,522,000元(二零一一年：人民幣零元)(附註22(a))及銀行存款人民幣116,129,000元(二零一一年：人民幣114,022,000元)(附註23)作為抵押。

(c) 應付附屬公司款項為無抵押、免息及須按要求償還。

26 計息借貸

(a) 於二零一二年十二月三十一日，須予償還之銀行貸款如下：



26 Interest-bearing borrowings (continued)

(a) (continued)

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 36. As at 31 December 2012, the balance of certain non-current portions of the interest-bearing bank loans amounting to RMB133,441,000 was reclassified from non-current liabilities to current liabilities

27 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

27 綜合財務狀況表內的所得稅

(a) 綜合財務狀況表內的即期稅項代表：

27 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised

The components of deferred tax (liabilities)/assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

27 綜合財務狀況表內的所得稅(續)

(b) 確認遞延稅項資產及負債

於綜合財務狀況表確認的遞延稅項(負債)／資產的項目及年內變動如下：

27 Income tax in the consolidated statement of financial position (continued)

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB488,832,000 (2011: RMB7,461,000) and RMB89,274,000 (2011: RMB2,798,000) attributable to its subsidiaries in the PRC and Hong Kong, respectively and deductible temporary differences of RMB362,284,000 (2011: RMBNil), as it is not probable that these tax losses and these deductible differences can be utilised in the foreseeable future.

The tax losses of the subsidiary in Hong Kong do not expire under current tax legislation while those of the subsidiaries in the PRC will expire within five years.

(d) Deferred tax liabilities not recognised

At 31 December 2012, deferred tax liabilities of RMB8,939,000 (2011: RMB23,507,000) have not been recognised in respect of the tax payable upon the distribution of the undistributed profits of PRC subsidiaries and it has been determined that these undistributed profits will not be distributed in the foreseeable future.

28 Deferred income

Various government grants have been received by the Group for generating export sales, participating in high-tech industry and constructing various manufacturing plants in Jinzhou, Liaoning Province, the PRC. The amount also includes government grants received by operating subsidiaries of the Group for the purpose of giving immediate financial support to the subsidiaries for general operating use with no future related cost. No specific conditions are attached to the grants. In addition, certain government grants have been received by the Group to compensate for its research and development expenses in relation to the manufacturing of mono-crystalline silicon solar ingots and wafers.

Amounts of RMB41,033,000 (2011: RMB134,633,000) have been recognised in the consolidated income statement for the year ended 31 December 2012 (note 4).

The remaining unused balances as at the end of each reporting period are included in the consolidated statement of financial position as deferred income. There are no unfulfilled conditions or contingencies relating to these grants. As at 31 December 2012, amounts of RMB202,119,000 (2011: RMB206,131,000) of deferred income will be recognised in profit or loss after more than one year.

27 綜合財務狀況表內的所得稅(續)

(c) 尚未確認遞延稅項資產

本集團並無就於中國及香港之附屬公司人民幣488,832,000元(二零一一年：人民幣7,461,000元)及人民幣89,274,000元(二零一一年：人民幣2,798,000元)的應佔累計稅務虧損及可扣減暫時性差異人民幣362,284,000元(二零一一年：人民幣零元)確認遞延稅項資產，原因為該等稅務虧損及該等應課稅暫時性差異於未來不大可能獲動用。

香港附屬公司之稅務虧損根據現行稅務法例不會屆滿，而中國附屬公司之稅務將於五年內屆滿。

(d) 尚未確認遞延稅項負債

於二零一二年十二月三十一日，就分派中國附屬公司未分派利潤的應付稅項人民幣8,939,000元(二零一一年：人民幣23,507,000元)的遞延稅項負債尚未確認，並已決定該等未分派利潤將不會於可預見未來分派。

28 遞延收入

本集團因產生出口銷售，從事高科技行業及於中國遼寧省錦州興建多家製造廠房獲得不同之政府補貼。款項亦包括本集團營運附屬公司收到之政府補貼，就附屬公司一般營運需要提供即時財務支援，並且無未來相關成本。有關授予並無賦帶任何特定條件。此外，本集團亦獲得若干政府補貼以資助其製造太陽能單晶硅錠及硅片之研發開支，及補貼若干特定貸款之利息開支。

截至二零一二年十二月三十一日止年度，於綜合損益表已確認人民幣41,033,000元(二零一一年：人民幣134,633,000元)(附註4)。

於各報告期間結算日，未動用之結餘被納入綜合財務狀況表，列作遞延收入。該等補貼並無尚未達成之條件或或然事項。於二零一二年十二月三十一日，遞延收入人民幣202,119,000元(二零一一年：人民幣206,131,000元)將於多於一年後於損益表中確認。

29 Other non-current liabilities

Included in other non-current liabilities is provision for product warranty costs as follows:

29 其他非流動負債

其他非流動負債包括產品保用成本撥備，載列如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	7,335	870
Provision made	所作撥備	1,672	6,465
At 31 December	於十二月三十一日	9,007	7,335

The Group's photovoltaic modules are typically sold with a 2 or 5-year warranty for defects in materials and workmanship and a 10 and 25 year minimum power output warranty, against declines of more than 10% and 20%, respectively, of initial power generation capacity from the date of delivery. The Group has the right to repair or replace solar modules, at its option, under the terms of the warranty policy. The Group maintains warranty reserves to cover potential liabilities that could arise under these guarantees and warranties.

本集團的光伏模組出售時一般附帶自交付日期起2年或5年物料損壞及人工保用，以及10年及25年最低電力輸出保證，分別保證電力輸出下降幅度不會多於初步發電產能10%及20%。根據保用政策的條款，本集團有權選擇對太陽能組件進行維修或置換。本集團設有保用儲備應付該等保證及保用項下的潛在負債。

30 Retirement benefit schemes

Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement benefit schemes administered and operated by the local municipal governments. The Group's PRC subsidiaries are required to make contributions to the scheme at 20% of the employees' salaries per annum to fund the retirement benefits of the employees.

30 退休福利計劃

本集團中國附屬公司僱員須參與由各自地方市政府管理及營辦的定額供款退休福利計劃。本集團中國附屬公司須按僱員年薪的20%向計劃作出供款，為僱員退休福利提供資金。

The Group is required to participate in defined contribution retirement schemes administered and operated by Bureau of Labour Insurance of Taiwan for employees employed in Taiwan. Under the schemes the employer is required to make contributions to the schemes at 6% of the employees' relevant income per annum. Contributions to the schemes vest immediately.

本集團須為受聘於台灣的僱員參加由台灣勞工保險局管理及營辦的定額供款退休福利計劃。根據該等計劃，僱主須按僱員相關年度收入的6%向計劃作出供款。向計劃作出的供款即時歸屬。

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$25,000. Contributions to the MPF scheme vest immediately.

本集團亦已根據香港強制性公積金計劃條例，為其受香港僱傭條例所管轄的僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃為定額供款退休計劃，由獨立受託人管理。強積金計劃規定僱主及其僱員各自按僱員相關收入的5%向計劃作出供款，以每月相關收入25,000港元為上限。向強積金計劃作出的供款即時歸屬。

The Group has no other material obligation for the payment of retirement benefits associated with the schemes beyond the contributions described above.

除上述供款外，本集團毋須就支付該等計劃有關的退休福利承擔其他重大責任。

31 Capital and reserves

(a) The Group

Details of the movements in capital and reserves of the Group are set out in the consolidated statement of changes in equity.

(b) The Company

31 股本及儲備

(a) 本集團

本集團資本及儲備變動的詳情載於綜合權益變動表。

(b) 本公司

		Note 附註	Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total equity 合計 RMB'000 人民幣千元
Balance at 1 January 2011	於二零一一年一月一日之結餘		162,458	940,428	(53,922)	–	(120,854)	928,110
Changes in equity for 2011:	二零一一年之權益變動：							
Loss for the year	年度虧損		–	–	–	–	(12,448)	(12,448)
Other comprehensive income	其他全面收入		–	–	(66,651)	–	–	(66,651)
Total comprehensive income	年內全面收入總額		–	–	(66,651)	–	(12,448)	(79,099)
Issuance of convertible bonds classified as equity	發行分類為權益之可換股債券	31(d)	–	–	–	644,281	–	644,281
Share issued upon conversion of convertible bonds	於兌換可換股債券時發行之股份	31(d)	36,127	608,154	–	(644,281)	–	–
Dividends approved in respect of the previous year	就上年度批准之股息	9(b)	–	(78,476)	–	–	–	(78,476)
Balance at 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日之及二零一二年一月一日之結餘		198,585	1,470,106	(120,573)	–	(133,302)	1,414,816
Changes in equity for 2012:	二零一二年之權益變動：							
Loss for the year	年度虧損		–	–	–	–	(438,240)	(438,240)
Other comprehensive income	其他全面收入		–	–	697	–	–	697
Total comprehensive income	年內全面收入總額		–	–	697	–	(438,240)	(437,543)
Shares issued under open offer	公開發售發行股份	31(e)	20,202	52,778	–	–	–	72,980
Balance at 31 December 2012	於二零一二年十二月三十一日之結餘		218,787	1,522,884	(119,876)	–	(571,542)	1,050,253

31 Capital and reserves (continued)

31 股本及儲備(續)

(c) Authorised and issued share capital

(c) 法定及已發行股本

		The Company 本公司			
		2012 二零一二年		2011 二零一一年	
		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	每股面值0.1港元的普通股	5,000,000,000	HK$500,000 500,000港元	5,000,000,000	HK$500,000 500,000港元
Equivalent to	相等於		RMB450,000 人民幣450,000元		RMB450,000 人民幣450,000元
Ordinary shares, issued and fully paid:	已發行及繳足普通股：				
At 1 January	於一月一日	2,242,170,425	RMB198,585 人民幣198,585元	1,807,170,425	RMB162,458 人民幣162,458元
Shares issued under open offer (note 31(e))	公開發售發行股份(附註31(e))	249,130,047	20,202	–	–
Share issued upon conversion of convertible bonds (note 31(d))	於兌換可換股債券時發行之股份(附註31(d))	–	–	435,000,000	36,127
At 31 December	於十二月三十一日	2,491,300,472	RMB218,787 人民幣218,787元	2,242,170,425	RMB198,585 人民幣198,585元

(d) Convertible bonds

On 25 January 2011, the Group acquired a 100% equity interest in Sino Light, satisfied by the issuance of zero-coupon convertible bonds of the Company with a principal amount of HK$835,200,000. The convertible bonds were interest-free

31 Capital and reserves (continued)

(d) Convertible bonds (continued)

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

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

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

(e) Open offer

In December 2012, the Company raised approximately HK$89,999,000 (equivalent to RMB72,980,000) after deduction of estimated related expenses of RMB2,778,000 by way of an open offer. 249,130,047 new shares of HK$0.1 each on the basis of one offer share for every nine existing share held were issued. The subscription price was HK$0.375 per share. The nominal value of these shares of HK$24,913,000 (equivalent to RMB20,202,000) was credited to share capital and the balance of HK$65,086,000 (equivalent to RMB52,778,000) were credited to share premium.

31 股本及儲備(續)

(d) 可換股債券(續)

可換股債券之公平值由董事於發行日期參考獨立專業估值師Censere Holdings Limited發出之估值報告後估值。計量可換股債券之估計公平值時，已應用二項式期權定價模式，主要假設如下：

於發行日期之現貨價	1.81港元
期權年期	兩個月
預期波幅	33.44%
無風險利率	0.27%
發行日期至兌換期開始當日間之預期股息率	0.00%

所有可換股債券於二零一一年六月二十一日由債券持有人兌換為本公司普通股。該等股份面值為人民幣36,127,000元，自其他儲備轉撥至股本，該等股份面值與可換股債券公平值之差額為人民幣608,154,000元，自其他儲備轉撥至股份溢價。

(e) 公開發售

於二零一二年十二月，本公司透過公開發售股份籌得約89,999,000港元(相當於人民幣72,980,000元)(扣減估計相關開支人民幣2,778,000元後)。按每持有九股現有股份獲發一股發售股份之基準發行249,130,047股新股份。認購價為每股股份0.375港元。該等股份之面值為24,913,000港元(相當於人民幣20,202,000元)並計入股本，結餘65,086,000港元(相當於人民幣52,778,000元)計入股份溢價。

31 Capital and reserves (continued)

(f) Nature and purpose of reserves:

(i) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. The share premium is distributable.

(ii) General reserve fund

Pursuant to articles of association of the Company's subsidiaries incorporated in the PRC, these PRC subsidiaries are required TD si5.38e0321>Tj /F2 1 Tf [a Tfimle.31..0988378 Tw (government)-1.3 (s)-5.3 (tatutofit sift [taxany's

31 股本及儲備(續)

(f) 儲備的性質及目的：

(i) 股份溢價

股份溢價賬的應用受開曼群島公司法所規管。股份溢價可予分派。

(ii) 一般儲備金

根據本公司於中國註冊成立之附屬公司之組織章程細則，此等中國附屬公司須將其中國法定財務報表所呈列之稅後利潤最少10%轉撥至一般儲備金，直至該儲備金結餘至少達相關附屬公司實繳股本一半。各自董事會經參照最低要求後，釐定分配至該儲備之金額。

就有關實體而言，一般儲備金可用作彌補以往年度虧損(如有)，亦可按權益持有人現時的持股比例兌換為資本，惟兌換後結餘不得少於註冊資本的25%。

(iii) 資本儲備

資本儲備為配發及發行予本集團僱員的股份超逾認購成本的部分以及授予彼等的購股權的公平值。

(iv) 匯兌儲備

匯兌儲備包括所有因換算海外業務財務報表而產生之匯兌差額。本儲備按附註1(t)所載之會計政策處理。

31 Capital and reserves

31 股本及儲備(續)

(f) 儲備的性質及目的：(續)

(v) 其他儲備

其他儲備指：

(i) Tayaneng Investments Limited(「Tayaneng」)於所收購附屬公司應佔實繳資本之面值超出Tayaneng就獲得此等附屬公司之股權所支付代價之差額。

根據本集團就理順本集團架構，為本公司公開上市作準備而進行之重組(「重組」，使本公司於二零零七年五月七日成為附屬公司之控股公司)，Tayaneng於二零零七年三月九日收購錦州陽光、錦州華昌、錦州華日及錦州新日分別75%、70%、74.17%及75%股權。Tayaneng於此等附屬公司應佔面值人民幣74,858,000元與已支付代價人民幣74,782,000元之差額為人民幣76,000元，已計入其他儲備賬。

(ii) 所收購Tayaneng及其附屬公司的資產淨值與Tayaneng已發行股本面值之差額。

其他儲備為不可分派的儲備。

Tayaneng於截至二零零九年十二月三十一日止年度撤銷註冊。

31 Capital and reserves (continued)

(g) Distributability of reserves

At 31 December 2012, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB951,342,000 (2011: RMB1,336,804,000).

(h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

31 股本及儲備(續)

(g) 儲備的可供分派性

於二零一二年十二月三十一日，可供分派予本公司權益股東的儲備總額為人民幣951,342,000元(二零一一年：人民幣1,336,804,000元)。

(h) 資金管理

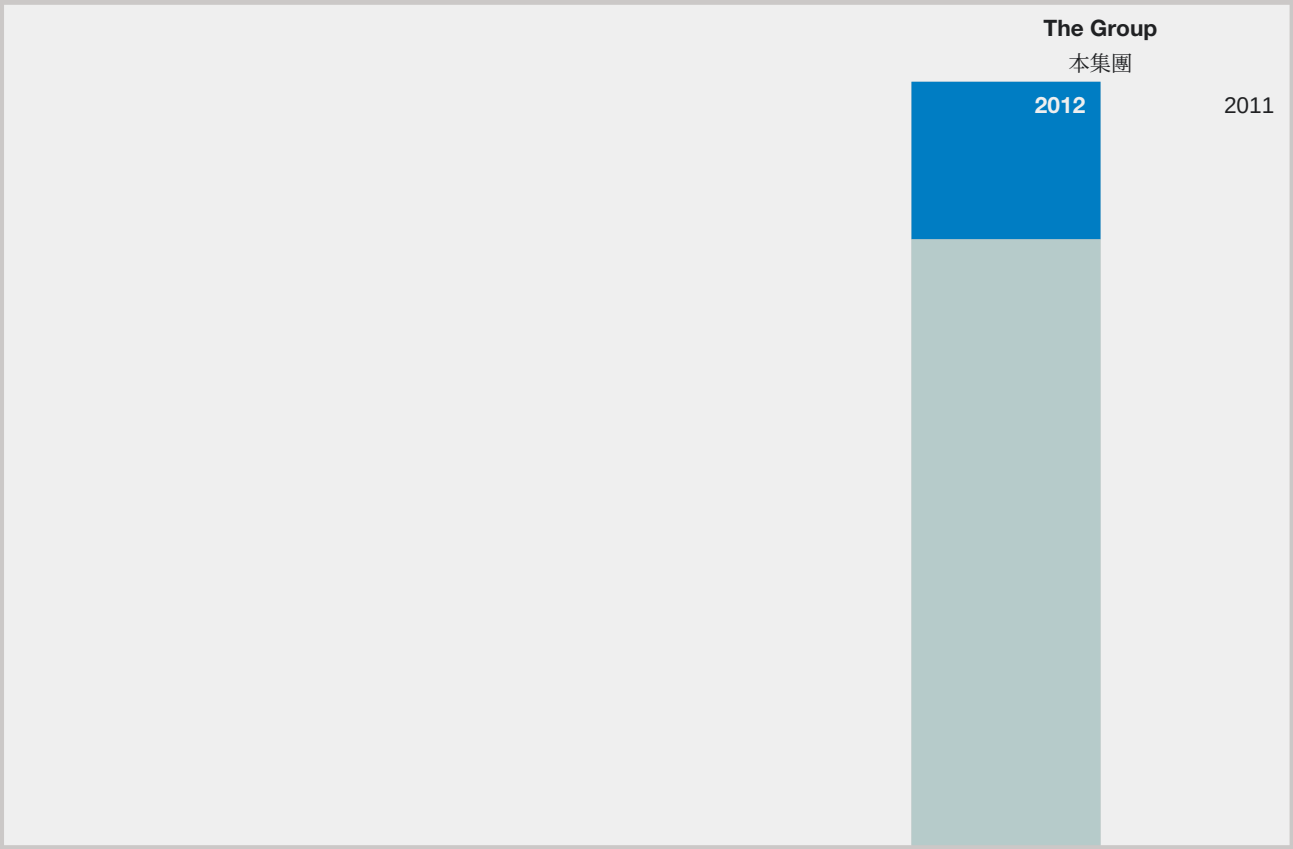
本集團管理資金的首要目的為根據風險水平釐定產品及服務價格以及按合理成本取得融資，藉此保障本集團能持續營運，繼續為股東提供回報與為其他權益持有人帶來利益。

本集團積極定期檢討和管理其資本結構，在高借貸水平所可能帶來更高股東回報，以及穩健資本狀況所提供的優勢和保障兩者中間取得平衡，並因應經濟情況轉變而調整資本結構。

31 Capital and reserves (continued)

(h) Capital management (continued)

The Group monitors its capital structure on the basis of a gearing ratio. For this purpose, the Group defines gearing ratio as total borrowings to total share capital and reserves. The gearing ratio at 31 December 2012 and 2011 were as follows:



32 Related party transactions

During the year ended 31 December 2012, transactions with the following parties are considered to be related party transactions:

32 關連方交易

截至二零一二年十二月三十一日止年度，下列人士的交易被視為關連方交易：

32 Related party transactions (continued)

(a) Key management personnel remuneration

Key management personnel receive compensation in the form of salaries, housing and other allowances, benefits in kind, discretionary bonuses and retirement scheme contributions. Details of key management personnel remuneration are disclosed in notes 11 and 12. Total remuneration is included in "staff costs" as disclosed in note 6(b).

(b) Recurring transactions

32 關連方交易(續)

(a) 主要管理人員薪酬

主要管理人員以薪金、住房及其他津貼、實物利益、酌情花紅及退休計劃供款的方式收取酬金。主要管理人員薪酬詳情於附註11及12披露。薪酬總額撥入「員工成本」，詳情於附註6(b)披露。

(b) 經常性交易

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Sales of goods to:	銷售貨品予：		
– Jinzhou Huarong	－錦州華榮	**329**	325
– Jinzhou Changhua	－錦州昌華	**97**	146
		426	471
Purchases of goods from:	向下列各方購買貨品：		
– Jinzhou Changhua	－錦州昌華	**34,213**	55,133
– WWX	－合晶科技	**17,096**	18,665
– Huachang Guangfu	－華昌光伏	**–**	54,397
Processing services received from Jinzhou Youlin	由錦州佑林提供加工服務	**2,699**	–
Processing services received from Jinzhou Jingxin	由錦州京鑫提供加工服務	**884**	2,545
Provision of electricity and water by Jinzhou Huarong	錦州華榮提供水電	**1,741**	2,031
		56,633	132,771

32 Related party transactions (continued)

(c) Non-recurring transactions

32 關連方交易(續)

(c) 非經常性交易

	The Group 本集團	
	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Consideration paid for the acquisition of Sino		

32 Related party transactions (continued)

(e) Amounts due to related parties

32 關連方交易(續)

(e) 應付關連方款項

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
– Jinzhou Changhua	一錦州昌華	**28,905**	–
– Jinzhou Jingxin	一錦州京鑫	**184**	921
		184	

34 Operating lease commitments

At 31 December 2012, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 1 year	一年內	**1,679**	2,127
After 1 year but within 5 years	一年後但五年內	**1,410**	2,441
After 5 years	五年後	**1,586**	1,704
		4,675	6,272

The Group is the lessee in respect to a number of properties held

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36 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to cash at banks, trade debtors and prepayments made to suppliers. Cash at banks are placed with financial institutions that have sound credit ratings and the Group considers the credit risk to be insignificant.

In respect of trade debtors and prepayments made to suppliers, individual credit evaluations are performed on customers/suppliers on a case-by-case basis. These evaluations focus on the customer's past history of making payments when due and current ability to pay as well as the supplier's past history of supplying raw materials and take into account information specific to the customer/supplier as well as pertaining to the economic environment in which the customer/supplier operates. Trade debtors are normally due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers and suppliers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and supplier. The default risk of the industry and country in which customers/suppliers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has a certain concentration of credit risk as 7% and 12% (2011: 3% and 12%) of the total trade and other receivables was due from the Group's largest customer and the supplier with the largest prepayment balance, respectively, and 14% and 31% (2011: 10% and 40%) was due from the five largest customers and suppliers with five largest prepayment balances, respectively, of the Group.

The Group does not provide any guarantees which would expose the Group to credit risk.

36 財務風險管理及公平值

本集團所承擔的信貸、流動資金、利率及貨幣風險來自本集團的日常業務。本集團為管理所承擔之該等風險及財務風險而採用之管理政策及慣例如下。

(a) 信貸風險

本集團的信貸風險主要來自銀行現金以及支付予供應商之應收貿易賬款及預付款項。銀行現金存放於本集團認為無甚信貸風險且有良好信貸評級的金融機構。

就支付予供應商之應收貿易賬款及預付款項，本集團會按個別情況個別評估客戶／供應商的信貸狀況。該等評估集中於客戶過往之到期付款記錄及現時付款能力，以及供應商過往提供原材料之記錄，並會考慮客戶／供應商特有之賬戶資料及客戶／供應商經營地之有關經濟環境。應收貿易賬款於賬單日期起30至90日內到期。一般而言，本集團不會自客戶及供應商收取抵押品。

本集團之信貸風險主要受各客戶及供應商之個別特質影響。客戶／供應商經營之行業及所處國家之欠款風險亦對信貸風險有一定影響，但程度較輕。於報告期間結算日，本集團有若干程度信貸過份集中的風險，因為應收貿易賬款及其他應收款項總額中分別有7%及12%（二零一一年：3%及12%）來自本集團最大客戶及供應商（彼等佔預付款項之大部分）的欠款，另14%及31%（二零一一年：10%及40%）則來自本集團五大客戶及供應商（彼等佔預付款項之五大部分）的欠款。

本集團並無提供任何其他擔保，致令本集團需承擔信貸風險。

36 Financial risk management and fair values (continued)

(b) Liquidity risk

As detailed in note 1(b), the Group's current liabilities exceeded its current assets by RMB385,052,000 as at 31 December 2012, which indicates that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors are taking certain actions to address these conditions in accordance with the Group's policy of regularly monitoring its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. These actions include negotiating with banks to renew the short term loans and to explore the availability of alternative sources of financing. Further details of these actions and bank loans concerned are set out in note 1(b).

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay.

36 財務風險管理及公平值(續)

(b) 流動資金風險

據附註1(b)所述，本集團於二零一二年十二月三十一日之流動負債超過流動資產人民幣385,052,000元，即本集團可能未能於日常業務當中變現並資產及消除其債務。董事已作出若干行動，根據本集團定期監察期監察當期和預期流動資金的需求的政策，以確保其備存充裕現金儲備及向各大金融機構取得充足承諾信貸額度，以應付長短期的流動資金需求。該等行動包括與銀行進行磋商有關更新短期貸款及開拓其他融資方法。該等行動及銀行貸款詳情載於附註1(b)。

下表載列本集團及本公司財務負債於報告期間結算日之餘下合約年限，有關財務負債乃以未折現合約現金流量(包括根據合約利率或(如為浮息)根據報告期間結算日當前利率計算之利息付款)以及本集團及本公司須還款最早日期作為基礎。

36 Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

The Group

36 財務風險管理及公平值(續)

(b) 流動資金風險(續)

本集團

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36 Financial risk management and fair values

(continued)

(c) Interest rate risk (continued)

(i) Interest rate profile (continued)

The Company

36 Financial risk management and fair values (continued)

36 財務風險管理及公平值(續)

(c) Interest rate risk (continued)

(c) 利率風險(續)

(ii) Sensitivity analysis (continued)

(ii) 敏感度分析(續)

The Company 本公司					
2012 二零一二年			2011 二零一一年		
Increase/ (decrease) in interest rate 利率上升／（下跌） %	**Effect on loss for the year 對年內虧損之影響 RMB'000 人民幣千元**	**Effect on accumulated losses 對累計虧損之影響 RMB'000 人民幣千元**	Increase/ (decrease) in foreign exchange rates 匯率上升／（下跌） %	Effect on loss for the year 對年內利潤之影響 RMB'000 人民幣千元	Effect on accumulated losses 對保留盈利之影響 RMB'000 人民幣千元
1%	**3,374**	**3,374**	1%	3,842	3,842
(1)%	**(3,374)**	**(3,374)**	(1)%	(3,842)	(3,842)

The sensitivity analysis above indicates the instantaneous change in the Group's and the Company's loss/profit after taxation (and accumulated losses/retained profits) that would have arisen assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The analysis has been performed on the same basis as for 2011.

以上敏感度分析顯示假設利率變動於報告期間結算日發生，並把利率變動應用於當天存在的財務工具所承擔的利率風險時，本集團及本公司除稅後虧損／利潤(及累計虧損／保留盈利)之即時變動。二零一一年的分析是以相同的基準進行。

36 Financial risk management and fair values (continued)

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases, bank loans and cash and bank deposits that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily the United States Dollar ("USD"), the Euro and the Hong Kong Dollar ("HKD"). The directors do not expect any significant impact from movements in exchange rates since the Group uses the foreign currencies collected from customers to settle the amounts due to suppliers. In addition, the directors ensure that the net exposure is kept to an acceptable level by buying or selling the United States Dollar and Euros at spot rates where necessary to address short-term imbalances.

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

36 財務風險管理及公平值(續)

(d) 外匯風險

本集團承受的外匯風險，主要來自以外幣(即與交易相關之業務與功能貨幣以外貨幣)計值之銷售及採購、銀行貸款以及現金及銀行存款。產生此等風險之貨幣主要為美元(「美元」)、歐元及港元(「港元」)。董事並不預期匯率變動會對本集團造成任何重大影響，因為本集團使用自客戶收回之外幣向供應商支付款項。此外，董事在需要時可藉著按即期匯率買入或賣出美元及歐元解決短期失衡，以確保淨風險維持於可接受水平。

(i) 外匯風險

下表詳列本集團及本公司於報告期間結算日承擔的外匯風險，外匯風險因以相關實體功能貨幣以外貨幣計值之已確認資產或負債而產生。

		The Group 本集團 Exposure to foreign currencies (expressed in Renminbi) 外匯風險（以人民幣列值）					
		2012 二零一二年			2011 二零一一年		
		United States Dollars 美元 RMB'000 人民幣千元	Euros 歐元 RMB'000 人民幣千元	Hong Kong Dollars 港元 RMB'000 人民幣千元	United States Dollars 美元 RMB'000 人民幣千元	Euros 歐元 RMB'000 人民幣千元	Hong Kong Dollars 港元 RMB'000 人民幣千元
Trade and other receivables	應收貿易賬款及其他應收款項	27,748	24,538	–	6,831	17,352	–
Cash at bank and in hand	銀行及手頭現金	84,528	7,909				

36 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss/profit after taxation and accumulated losses/retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

36 財務風險管理及公平值(續)

(d) 外匯風險(續)

(ii) 敏感度分析

下表顯示本集團因於結算日承擔重大風險的匯率可能出現的合理變動，而令本集團除稅後虧損／利潤及累計虧損／保留盈利出現的即時變動。

		The Group 本集團					
		2012 二零一二年			2011 二零一一年		
		Increase/ (decrease) in foreign exchange rates 匯率上升／（下跌） %	Effect on loss for the year 對年內虧損之影響 RMB'000 人民幣千元	Effect on accumulated losses 累計虧損之影響 RMB'000 人民幣千元	Increase/ (decrease) in foreign exchange rates 匯率上升／（下跌） %	Effect on profit for the year 對年內利潤之影響 RMB'000 人民幣千元	Effect on retained profits 對保留盈利之影響 RMB'000 人民幣千元
Hong Kong Dollars	港元	10	(791)	(791)	10	262	262
		(10)	791	791	(10)	(262)	(262)
Euros	歐元	10	(46)	(46)	10	2,218	2,218
		(10)	46	46	(10)	(2,218)	(2,218)
United States Dollars	美元	10	72,188	72,188	10	(61,462)	(61,462)
		(10)	(72,188)	(72,188)	(10)	61,462	61,462

Result of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss/profit after taxation and equity measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

上表呈列之分析結果指本集團各實體之除稅後虧損／利潤及股本(以各自之功能貨幣計量，並以結算日之匯率換算為人民幣)之即時影響總額，供呈報之用。

36 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the

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36 財務風險管理及公平值(續)

(d) 外匯風險(續)

(ii) 敏感度分析(續)

敏感度分析乃假設已採用有關匯率變動重新計量本集團所持有令其於報告期間結算日承擔外匯風險之財務工具，包括以放款人或借款人功能貨幣以外貨幣計值之集團內公司間應付款項及應收款項。分析不包括將海外業務財務報表換算為本集團呈報貨幣所產生之差額。二零一一年的分析是以相同的基準進行。

(e) 公平值

於二零一一年及二零一二年十二月三十一日，所有財務工具的賬面值與其公平值之間並沒有重大差異，按要求應付附屬公司之款項除外。鑑於其條款，故不需要披露該等結餘之公平值。

37 重大會計估計及判斷

董事應用本集團之會計政策時使用對本集團財務狀況及經營業績有重大影響之方法、估計及判斷。部分會計政策需本集團就固有不明朗事項作出估計及判斷。應用本集團會計政策時作出之重大會計判斷載述如下。

(a) 物業、廠房及設備的可使用年期

物業、廠房及設備在計及其估計殘值後，以直線法按各資產估計可使用年期計提折舊。本集團每年審閱資產的可使用年期及其殘值（如有），並每年審閱計提折舊的期間及方法。如果先前估計發生重大變動，則會對未來期間之折舊開支作出調整。

37 Significant accounting estimates and judgements (continued)

(b) Impairments of assets

The Group reviews the carrying amounts of assets at the end of each reporting period to determine whether there is objective evidence of impairment. When an indication of impairment is identified, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, management prepares discounted future cash flows to assess the differences between the carrying amount and value in use and provides for impairment losses. Any change in the assumptions adopted in the cash flow forecasts would increase or decrease the provision for impairment losses and affect the Group's profit or loss and net asset value.

Goodwill is tested for impairment at least annually even if there has no indication of impairment.

Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectability. A considerable level of judgement is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer. An increase or decrease in the above impairment loss would affect profit or loss in future years.

(c) Impairment of advances to suppliers

The Group makes non-cancellable advance payments to raw material suppliers under purchase agreements which are to be offset against future purchases. In the event when the economic benefits expected to be received under these purchase agreements are less than the unavoidable costs of meeting the contractual obligations; or the financial condition of these suppliers deteriorate, the Group will consider whether the advance payments to these suppliers are impaired and make necessary provision for the present obligation under the agreements. The Group does not require collateral or other security against its advances to suppliers. The Group performs ongoing evaluations of impairment of advances to suppliers and provisions for commitments that may become onerous due to a change of market conditions and the financial condition of its suppliers. The evaluation takes into account the projected revenue, related expenses, capital spending and other costs. When the advance is not likely to be settled as expected, the Group will make necessary provisions for the present obligation under the agreements.

37 重大會計估計及判斷(續)

(b) 資產減值

本集團於各報告期間結算日審閱資產之賬面值，以釐定是否有減值之客觀證據。當確認出現減值跡象時，將估計資產之可收回金額。資產之可收回金額是淨售價與使用價值兩者中之較高者。評估其使用價值時，管理層編製貼現未來現金流量以評估賬面值與使用價值之差額，並作減值虧損撥備。現金流量預測採納之假設有任何變動，將令其減值虧損撥備增加或減少，並影響本集團之利潤或虧損及資產淨值。

商譽即使於無減值跡象情況下至少每年進行一次減值測試。

呆壞賬減值虧損是根據董事定期審閱賬齡分析及可收回程度評估來作出評估及計提撥備。董事在評估各個別客戶的信譽及過往收賬經驗時，作出相當程度的判斷。上述減值虧損的任何增減，會影響未來年度的利潤或虧損。

(c) 預付予供應商之款項之減值

本集團根據購買協議向原材料供應商作出不可撤銷預付款項，有關款項將於未來購貨時作出抵銷。倘根據該等購買協議預期可收取之經濟利益低於合約責任不可避免之成本，或該等供應商財務狀況轉壞，本集團將考慮預付予該等供應商之款項是否經已減值，並就該等協議項下之現有責任作出必要撥備。本集團並無就預付予供應商之款項要求抵押品或其他抵押。本集團持續評估預付予供應商之款項之減值，及就可能由於市況及供應商財務狀況變動而成為繁重之承擔撥備。該評估需要考慮預計收益、有關開支、資金消耗及其他成本。無法如預期結算時，本集團將就該等協議項下之現有責任作出必要撥備。

37 Significant accounting estimates and judgements (continued)

(d) Valuation of inventories

37 重大會計估計及判斷(續)

(d) 存貨之估值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除估計完成所需成本及銷售開支。該等估計乃基於目前市況以及製造及銷售同類產品之過往經驗，但可能會因為技術改變及競爭對手為針對嚴峻行業週期而採取之行動而出現重大改變。管理層會於各報告期間結算日重新評估該等估計。

(e) 所得稅

本集團須繳付多個司法權區之所得稅。釐定所得稅撥備須作出重大判斷。於日常業務中，有交易之最終稅項未能確定。倘最終稅項結果與初步記錄之金額不同，有關差額將影響本集團未來年度之利潤或虧損。

確認有關稅項虧損及可扣稅臨時差額遞延稅項資產視乎管理層預期日後可能有應課稅利潤可動用稅項虧損。其實際動用可能有所不同。

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(f) 保用成本撥備

本集團就其光伏模組提供長達25年的售後保用。由於過往甚少出現保用索償，因此本集團根據歷史成本數據、業內數據及對本集團競爭對手的過往保用索償評估估計保用成本。本集團的保用責任不但會受產品故障比率影響，同時會受維修或置換出現故障產品所涉成本影響。倘實際產品故障比率及置換或維修出現故障產品的實際成本與估計有差異，本集團將須預先修訂保用成本撥備，並對未來年度的利潤或虧損構成影響。

38 比較數字

在附註2(b)披露的應用會計政策的變動後，若干比較數字已重列以符合新呈報方式。

39 業務合併

(a) 於二零一一年一月二十六日，本集團購入華光全部股本權益，並透過發行本公司之零息可換股債券付款，該等債券可兌換為435,000,000股本公司普通股。該等可換股債券於二零一一年一月二十六日之公平值為762,104,000港元，相當於人民幣644,281,000元(請參閱附註31(d))。華光及其附屬公司(「華光集團」華光螢幕屏幕並幕附附醫醫鏡術變

39 Business combination (continued)

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

39 業務合併(續)

(c) 收購華光集團對本集團於收購日期之資產及負債構成以下影響：

		Carrying amount 賬面值 RMB'000 人民幣千元	Fair value adjustment 公平值調整 RMB'000 人民幣千元	Fair value 公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	324,602	(10,061)	314,541
Intangible assets	無形資產	–	254,869	254,869
Lease prepayments	租賃預付款項	18,352	3,533	21,885
Inventories	存貨	24,684	9,469	34,153
Trade and other receivables	應收貿易賬款及其他應收款項	195,880	–	195,880
Cash and cash equivalents	現金及現金等價物	33,670	–	33,670
Trade and other payables	應付貿易賬款及其他應付款項	(132,531)	–	(132,531)
Current tax payable	即期應付稅項	(1,418)	–	(1,418)
Long-term bank loans	長期銀行貸款	(190,000)	–	(190,000)
Deferred tax assets/(liabilities)	遞延稅項資產／(負債)	3,902	(56,819)	(52,917)
Deferred income	遞延收入	(42,088)	–	(42,088)
Net assets acquired	所購入資產淨值	235,053	200,991	436,044
Goodwill arising from acquisition (note 16)	收購產生之商譽(附註16)			208,237
Total consideration satisfied by issuance of convertible bonds (note 31(d))	透過發行可換股債券支付之總代價(附註31(d))			644,281
Net cash inflow in respect of the acquisition of subsidiaries	涉及收購附屬公司之現金流入淨額			33,670

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

應收貿易賬款及其他應收款項之結餘被視為可於收購日期悉數收回。

The goodwill is attributable mainly to the benefit of skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the entities into the Group's existing businesses. None of the goodwill recognised is expected to be deductible for income tax purposes.

商譽主要因所購入業務勞動人手之技能及技術專才以及預期自各實體與本集團現有業務合併所得之協同效益而受惠。所確認商譽預期不可扣減所得稅。

40 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2012

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and five new standards which are not yet effective for the year ended 31 December 2012 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

40 已頒佈但尚未於截至二零一二年十二月三十一日止年度生效的修訂、新訂準則及詮釋可能帶來的影響

截至本財務報表刊發日期，香港會計師公會已頒佈多項修訂以及五項新訂準則，而本集團並未在本財務報表中採用此等並未於截至二零一二年十二月三十一日止年度生效的修訂及新訂準則。下列為其中可能與集團有關的修訂和新準則。

	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
Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income* 香港會計準則第1號，*財務報表呈列－呈列其他全面收入之項目*之修訂本	1 July 2012 二零一二年七月一日
HKFRS 10, *Consolidated financial statements* 香港財務報告準則第10號，*綜合財務報表*	1 January 2013 二零一三年一月一日
HKFRS 12, *Disclosure of interests in other entities* 香港財務報告準則第12號，*披露於其他實體之權益*	1 January 2013 二零一三年一月一日
HKFRS 13, *Fair value measurement* 香港財務報告準則第13號，*公平值計量*	1 January 2013 二零一三年一月一日
HKAS 28, *Investments in associates and joint ventures* 香港會計準則第28號，*投資於聯營公司及合營企業*	1 January 2013 二零一三年一月一日
Revised HKAS 19, *Employee benefits* 經修訂香港會計準則第19號，*僱員福利*	1 January 2013 二零一三年一月一日
Annual Improvements to HKFRSs 2009-2011 Cycle *二零零九年至二零一一年周期的年度改進*	1 January 2013 二零一三年一月一日
Amendments to HKFRS 7, *Financial instruments: Disclosures – Disclosures – Offsetting financial assets and financial liabilities* 香港財務報告準則第7號修訂本*金融工具：披露－金融資產與金融負債之抵銷*	1 January 2013 二零一三年一月一日
Amendments to HKAS 32, *Financial instruments: Presentation – Offsetting financial assets and financial liabilities* 香港會計準則第32號修訂本，*金融工具：呈列－金融資產與金融負債之抵銷*	1 January 2014 二零一四年一月一日
HKFRS 9, *Financial instruments* 香港財務報告準則第9號，*金融工具*	1 January 2015 二零一五年一月一日

Solar iga Energ