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E H

陽光能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(C : 757)

A CE E T F TE E T
F THE TH E DED 30 E 2010

F A C A H GH GHT

Turnover for the period under revie increased b 162.2% to RMB796.4 million (Corresponding period in 2009: RMB303.7 million).

Gross profit for the period under revie as RMB95.2 million (Corresponding period in 2009: Gross loss of RMB85.6 million).

Net profit attributable to the equit shareholders of the Compan for the period under revie as RMB41.1 million (Corresponding period in 2009: Net loss of RMB119.7 million)

Basic earnings per share as RMB2.28 cents (Corresponding period in 2009: Basic loss of RMB7.07 cents)

The board of Directors of the Compan does not recommend the pa ment of an interim dividend for the si months ended 30 June 2010.

TER RE T

The directors (the Directors) of Solargiga Energ Holdings Limited (the Compan) present here ith the unaudited consolidated interim financial results (the Interim Results) of the Compan and its subsidiaries (collectivel , the Group) for the si months ended 30 June 2010, together ith the comparative figures for the corresponding period in 2009. The Interim Results are unaudited, but have been revie ed b the Compan 's auditors, KPMG

A D TED C DA TED TA TE E T F C EHE E C E

For the six months ended 30 June 2010

	2010	2009
	RMB'000	*RMB'000*
/( )	**40,545**	(119,747)
E change differences on translation of financial statements of foreign operations	**(1,395)**	(3,362)
T	**39,150**	(123,109)

A :

Equit shareholders of the Compan . .sta cm6v93g6i468 0 TD(39769:)Tj/F1 1 Tf7.35985 0 TD((123

T	**39,150**	(123,109)

A D TED C DA TED BA A CE HEE T

At 30 June 2010

	Note	30 J 2010 RMB'000	31 December 2009 RMB'000
-			
Propert , plant and equipment		**550,909**	536,849
Prepa ments for acquisition of propert , plant and equipment		**72,391**	63,264
Lease prepa ments		**63,257**	63,948
Prepa ments for ra materials		**249,358**	214,068
Deferred ta assets		**37,665**	42,925
		973,580	921,054
C			
Inventories		**547,861**	441,288
Trade and other receivables	*10*	**506,893**	405,361
Pledged deposits		**64,660**	44,055
Cash at bank and in hand		**313,357**	236,191
		1,432,771	1,126,895
C			
Trade and other pa ables	*11*	**434,335**	206,170
Short-term bank loans		**374,838**	289,274
Current ta pa able		**1,565**	28
		810,738	495,472
		622,033	631,423
T		**1,595,613**	1,552,477
-			
Municipal government loan		**3,343**	3,227
Long-term bank loan		**70,000**	70,000
Deferred ta liabilities		**8,224**	4,669
Deferred income		**65,138**	67,301
		146,705	145,197
		1,448,908	1,407,280
C			
Share capital		**162,458**	162,458
Reserves		**1,267,508**	1,225,261
T C		**1,429,966**	1,387,719
Non-controlling interests		**18,942**	19,561
T		**1,448,908**	1,407,280

TE T TE F A C A F A T

1. BA F E A A T

This interim financial information has been prepared in accordance ith the applicable disclosure provisions of the Rules Governing the Listing of Securities (Listing Rules) on The Stock E change of Hong Kong Limited (Stock E change), including compliance ith Hong Kong Accounting Standard (HKAS) 34 Interim financial reporting issued b the HKICPA.

The interim financial information has been prepared in accordance ith the same accounting policies adopted in the 2009 annual financial statements, e cept for the accounting polic changes that are e pected to be reflected in the 2010 annual financial statements. Details of these changes in accounting policies are set out in note 2.

2. CHA GE ACC T G C E

The HKICPA has issued t o revised Hong Kong Financial Reporting Standards (HKFRSs), a number of amendments to HKFRSs and one ne Interpretation that are first effective for the current accounting period of the Group and the Compan . Of these, the follo ing developments are relevant to the Group's financial statements:

HKFRS 3 (revised 2008), Business Combinations

Amendments to HKAS 27, Consolidated and separate financial statements

Improvements to HKFRSs (2009)

The above developments resulted in changes in accounting policies but none of these changes in polic have a material impact on the current or comparative periods, for the follo ing reasons:

The impact of the majorit of the revisions to HKFRS 3 and HKAS 27 has not et had a material effect on the Group's financial statements as these changes ill first be effective as and hen the Group enters into a relevant transaction (for e ample, a business combination, a disposal of a subsidiar or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.

The impact of the amendments to HKAS 27 (in respect of allocation of losses to non-controlling interest) has had no material impact as there is no requirement to restate amounts recorded in previous periods.

As a result of the amendment to HKAS 17, Leases, arising from the Improvements to HKFRSs (2009) omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to hether, in the Group's judgement, the lease transfers significantl all the risks and re ards of o nership of the land such that the Group is in a position economicall similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate.

The Group has not applied an ne standard or interpretation that is not et effective for the current accounting period.

3. EG E T E T G

The Group manages its business b business operations and geograph . On the adoption of HKFRS 8, Operating segments and in a manner consistent ith the a in hich information is reported internall to the Group's most senior e ecutive management for the purposes of resource allocation and performance assessment, the Group has onl identified one operating segment, i.e. the manufacturing of, trading of and provision of processing services for pol silicon and monocr stalline and multicr stalline silicon solar ingots/ afers, and the producing of and trading of photovoltaic modules as ell as the installation of photovoltaic s stems. Further, the Group's business participates primaril in onl one geographical location classified b the location of assets, i.e. the People's Republic of China (the PRC).

For the purpose of assessing segment performance and allocating resources bet een segments, the Group's senior e ecutive management monitors the results, assets and liabilities attributable to the reportable segment hich are presented in the same a in the Group's consolidated income statement and balance sheet.

The follo ing table sets out information about the geographical location of the Group's revenue from

5. THE ET C E/( )

	30	
	2010	2009
	RMB'000	*RMB'000*
Net foreign e change gain	**113**	594
Loss on disposals of propert , plant and equipment	**–**	(869)
Others	**2**	1
	115	(274)

6. F T/( ) BEF E TA A T

Profit/(loss) before ta ation is arrived at after charging:

	30	
	2010	2009
	RMB'000	*RMB'000*
( ) F		
Interest on bank loans holl repa able ithin five ears	**9,145**	7,393
Interest on municipal government loan	**116**	112
Total interest e pense on financial liabilities not at fair value through profit or loss	**9,261**	7,505
Less: interest e pense capitalised into construction in progress	**(896)**	(1,647)
	8,365	5,858
( )		
Amortisation of lease prepa ments	**692**	346
Depreciation	**25,001**	12,945
Write-do n of inventories	**–**	172,648
Impairment of trade debtors	**–**	2,277
Impairment loss on prepa ment *(note)*	**–**	8,362
Provision for onerous contract *(note)*	**–**	11,665

Note:

At 30 June 2009, the Directors considered that a long-term purchase contract, under hich the Group as committed to purchase pol silicon materials at a fi ed cost from a supplier, has become onerous hen taking into consideration the market price of pol silicon materials and the anticipated future income from sales of products produced b these materials. Accordingl , an impairment loss of RMB8,362,000 representing the entire balance of the advance pa ment to the supplier under the contract and a provision for onerous contract of RMB11,665,000 ere made based on the difference bet een the contracted price and the market price of the materials.

7. C E TA

Income ta in the consolidated income statement represents:

	30	
	2010	2009
	RMB'000	*RMB'000*
C C		
Provision for the period	**3,192**	
nder-provision in respect of prior periods		786
	3,192	786
D		
Origination and reversal of temporar differences	**8,814**	(29,886)
Income ta e pense/(credit)	**12,006**	(29,100)

No provision for Hong Kong Profits Ta has been made as the subsidiaries of the Group either did not have an assessable profits subject to Hong Kong Profits Ta or have accumulated ta losses brought for ard from previous ears to offset the estimated assessable profits for the period.

E cept for Jin hou Yangguang Energ Co., Ltd. hich is entitled to preferential Corporate Income Ta (CIT) rate of 15% as it as granted b the Taihe Distric State Ta Bureau the status of a High and Ne Technolog Enterprise , the provision for CIT is based on a statutor rate of 25% the assessable profits of the subsidiaries in the PRC as determined in accordance ith the relevant income ta rules and regulations of the PRC.

8. D DE D

( ) D

The Directors do not recommend the pa ment of a dividend in respect of the si months ended 30 June 2010 (si months ended 30 June 2009: Nil).

( ) D

	30	
	2010	2009
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial ear approved during the period		25,361

9. EA G /( ) E HA E

(⊠) B⊠ ⊠ /( ) ⊠

The calculation of basic earnings/(loss) per share is based on the profit attributable to the ordinar equit shareholders of the Compan of RMB41,164,000 (si months ended 30 June 2009: loss of RMB119,747,000) and the eighted average of 1,807,170,425 ordinar shares (si months ended 30 June 2009: 1,693,838,167 ordinar shares) of the Compan in issue during the period as calculated as set out in note 9(b).

( ) ⊠ ⊠ ⊠ ⊠

	⊠ ⊠	
	2010	2009
Issued ordinar shares at 1 Januar	**1,807,170,425**	1,690,766,500
Effect of shares issued under the share option scheme	**2⊠**	3,071,667
Weighted average number of ordinar shares	**1,807,170,425**	1,693,838,167

( ) D ⊠ ⊠

There ere no dilutive potential ordinar shares in issue during the si months ended 30 June 2009 and 2010.

10. T ADE A D THE ECE AB E

	30 ⊠ 2010	31 December 2009
	RMB'000	*RMB'000*
Trade debtors and bills receivable	**274,659**	165,501
Prepa ments for ra materials	**65,204**	93,540
Deposits and other receivables	**167,030**	146,320
	506,893	405,361

All the trade and other receivables are e pected to be recovered or recognised as e pense ithin one ear.

The ageing anal sis of trade debtors and bills receivable (net of allo ance for doubtful debts) based on invoice date is as follo s:

	30 ⊠ 2010	31 December 2009
	RMB'000	*RMB'000*
Within 1 month	**185,264**	86,336
1 to 3 months	**86,683**	66,746
3 to 6 months	**2,300**	9,717
6 to 12 months	**95**	2,385
1 to 2 ears	**317**	317
	274,659	165,501

Trade debtors are due within 30 to 90 days from the date of billing.

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

	30 June 2010	31 December 2009
	RMB'000	*RMB'000*
Neither past due nor impaired	**273,480**	160,960
Less than 1 month past due	**463**	492
1 to 3 months past due	**[illegible]**	1,323
3 to 6 months past due	**304**	2,409
6 to 12 months past due	**95**	
1 to 2 years past due	**317**	317
	1,179	4,541
	274,659	165,501

11. TRADE AND OTHER PAYABLES

	30 June 2010	31 December 2009
	RMB'000	*RMB'000*
Trade payables	**293,422**	78,603
Bills payable	**83,636**	63,417
Other payables and accrued expenses	**57,277**	64,150
	434,335	206,170

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

The ageing analysis of trade payables as of the balance sheet date is as follows:

	30 June 2010	31 December 2009
	RMB'000	*RMB'000*
Within 1 month	**164,523**	24,533
1 to 3 months	**46,576**	18,425
3 to 6 months	**59,767**	25,085
6 to 12 months	**21,472**	5,654
1 to 2 years	**1,084**	4,906
	293,422	78,603

A AGE E TD C A DA A

B

The Group is a leading manufacturer of monocr stalline silicon solar ingots and afers in the PRC. Its products are used for the manufacture of photovoltaic cells hich are important components for solar energ generation s stems. During the period under revie , the Group is engaged in five main business activities:

(a) the trading and manufacturing of monocr stalline and multicr stalline silicon solar ingots and afers;

(b) the processing of silicon solar ingots and afers;

(c) the upgrading and trading of pol silicon;

(d) the production and sales of monocr stalline and multicr stalline photovoltaic modules; and

(e) the design and installation of photovoltaic s stems.

Currentl , the Group's annual production capacit of monocr stalline and multicr stalline silicon solar ingots are 350MW and 30MW, respectivel , and its annual silicon solar afer production capacit is 210MW. With the rapid e pansion of the solar energ industr , the Group aspires to become the orld's largest monocr stalline silicon solar ingot and afer manufacturer through continuousl upgrading its technolog in order to e pand its capacit and reduce cost. Moreover, the Group also endeavours to become one of the ke pla ers in the multicr stalline silicon solar product market.

In addition, the Group has developed its do nstream photovoltaic module and s stem installation businesses through its 51% o ned subsidiar in Jinzhou, Liaoning Province, the PRC. The annual capacit of its photovoltaic modules production is 50MW.

The Group operates its major production facilities in Jinzhou. In addition, the Group operates pol silicon reclaiming and upgrading facilities in Shanghai and Jinzhou hich currentl have an aggregate annual designed production capacit of 4,200 tonnes.

During the first half of 2010, the global econom e perienced gradual recover from the trough of the global financial crisis. Since the prices of upstream ra materials and do nstream products have been relativel stable and the market demand for photovoltaic products has been increasing, the photovoltaic industr as able to head to ards health and rapid development. The financial position of the Group remains sound. Management has effectivel and efficientl adjusted the direction and pace of its development strategies as ell as its product portfolio in response to market demands, including the e pansion of production capacit of monocr stalline silicon solar ingots, hich the Group e cel others in terms of technolog , commencing the production of multicr stalline products to achieve horizontal e pansion and participating in the production of do nstream photovoltaic modules to achieve vertical integration. We are also committed to improving our research and development technologies so as to maintain our leading position in the industr . As a result, the operating performance of the Group in the first half of 2010 recorded significant improvement over the

Aiming to further develop the rene able energ industr , the PRC government ill continue to hold large-scale tenders for the construction of solar energ photovoltaic po er stations during 2010. The annual po er generation capacit of the installed photovoltaic generation s stems ill be appro imatel 280MW ith the majorit of the projects being in Qinghai Province and Gansu Province, located in the north est part of the PRC, Inner Mongolia, Ning ia and Xinjiang Autonomous Region. In addition, at the beginning of this ear, the PRC Ministr of Finance has apportioned RMB50 billion to fund energ conservation and greenhouse gas emissions reduction to support and encourage the development of the solar energ industr . According to China Rene able Energ Societ Solar PV Committee (中國可再生能源學會光伏專業委員會), the solar energ po er generation of the PRC is e pected to increase b at least 500MW in 2010. Various local governments have also provided subsidies. It is e pected that the demand for solar energ in the PRC ill continue to increase throughout 2010.

Stable raw material prices and rebound in market demand

During the period under revie , follo ing the recover of the global econom , the market demand for solar energ products rebounded. Since the first quarter of 2010, ra material prices have stabilised hich in turn has facilitated a favourable operating environment for manufacturers. In light of the strong demand for photovoltaic products, product prices have sho ed slight but persistent increases since the beginning of 2010. Therefore, the Group has successfull recovered from the difficult operating environment seen in the corresponding period last ear and registered profits for four consecutive quarters since the third quarter in 2009. During the period under revie , turnover and net profit attributable to the equit shareholders of the Compan amounted to RMB796.411 million and RMB41.164 million, respectivel . In addition, as rite-do n of inventories as no longer required, the overall gross profit margin of the Group has returned to 12.0% from a gross loss for the corresponding period last ear.

During the period under revie , shipment volumes for our self-manufactured silicon solar ingots and afers have increased to 222,757kg and 31,036,000 pieces respectivel . As at 30 June 2010, the Group as equipped ith 197 monocr stalline ingot pullers, 43 iresa s and 4 multicr stalline casting furnaces, ith an aggregate annual planned capacit of 350MW of monocr stalline silicon solar ingots, 210MW of silicon solar afers and 30MW of multicr stalline silicon solar ingots. Ho ever, due to the substantial increase in the market demand for our products, a situation appeared here suppl has been unable to meet demand, hereb the e isting capacit of the Group failed to full meet the strong demand from our customers.

Enriching product mix and expanding existing businesses

During the period under revie , the Group decided to introduce 200 ne monocr stalline ingot pullers model no. 970 hich as co-developed ith our supplier and is e clusivel supplied to the Group for the production of monocr stalline silicon solar ingots of 8 inches and 8.7 inches, hich can be sliced into small angled and right-angled monocr stalline silicon solar afers of 156mm 156mm. We have commenced the installation of those monocr stalline ingot pullers in phases since Jul 2010. Furthermore, in face of the rapid development of the photovoltaic industr , the Group has been keeping pace ith the market trend. The Group is able to produce monocr stalline silicon solar afers of 150 m to 180 m in thickness in accordance ith customers' needs, hich sho s further optimisation and improvement of the Group's slicing technolog . In the meantime, the Group has also developed and produced afers hich can be used for the production of solar cells ith higher conversion efficienc , hich in turn can be used for the production of high attage modules, inning e tensive recognition from our customers.

Cost of sales

For the si months ended 30 June 2010, cost of sales increased b 80.1% to RMB701.164 million from RMB389.263 million for the corresponding period last ear. As a percentage of total turnover, cost of sales decreased from appro imatel 128.2% to 88.0%. The decrease as mainl due to no rite-do n of inventories being made b the Group ith cost returning to a normal level.

Gross profit and gross profit margin

During the period under revie , the Group recorded a gross profit of RMB95.247 million and a gross profit margin of 12.0%, as compared ith a gross loss of RMB85.558 million for the corresponding period last ear.

Selling and distribution expenses

Selling and distribution e penses mainl comprised packaging e penses, freight charges and insurance e penses. Selling and distribution e penses increased b 56.5%, from RMB2.717 million for the si months ended 30 June 2009 to RMB4.252 million for the period under revie , accounting for 0.5% (for the si months ended 30 June 2009: 0.9%) of the Group's total turnover. The increase in e penses as due to the gro th in sales volume for the period.

Administrative expenses

Administrative e penses mainl comprised staff costs and research and development e penses. The administrative e penses for the first half of 2010 amounted to RMB42.504 million, a ear-on- ear decrease of 26.9% from RMB58.110 million for the corresponding period last ear, accounting for appro imatel 5.3% of the Group's turnover. Another major item of administrative e penses ere share-based pa ments in relation to shares granted to emplo ees prior to the initial public offering amounting to RMB2.478 million (for the si months ended 30 June 2009: RMB4.646 million). In addition, for the corresponding period last ear, e penses in relation to the grant of share options to emplo ees in 2008 amounting to RMB16.049 million as recognised. E cluding the above non-recurring e penses, the administrative e penses for the period under revie amounted to RMB40.026 million, representing an increase of 7.0% from RMB37.415 million for the corresponding period last ear. The increase in administrative e penses is mainl due to the increase in the number of emplo ees and the strengthened management team so as to cope ith the increased demand for human resources for the e pansion of production capacit and do nstream business e pansion.

Finance costs

The Group's finance costs increased from RMB5.858 million for the si months ended 30 June 2009 to RMB8.365 million for the si months ended 30 June 2010. Finance costs represented mainl interest on bank loans and the municipal government loans. The reason for the increase in finance costs as mainl due to the additional bank borro ings during the period to meet orking capital requirements.

Income tax

Income ta e penses ere RMB12.006 million for the si months ended 30 June 2010, hile a net ta credit amounting to RMB29.100 million as recorded for the corresponding period last ear due to the recognition of deferred ta assets.

Profit attributable to the equity shareholders

During the period under revie , the Group itnessed a turnaround as compared ith the corresponding period last ear and recorded a profit attributable to the equit shareholders of RMB41.164 million, accounting for 5.2% of our total turnover. A loss attributable to the equit shareholders of RMB119.747 million as recorded during the corresponding period last ear.

Inventory turnover days

The inventories of the Group comprised mainl ra materials namel pol silicon, crucibles and other au iliar ra materials and finished goods. O ing to the e pansion in production capacit as ell as the good relationship ith its suppliers, the Group as able to increase its inventor of ra materials hen the market as in short suppl . During the period under revie , the inventor turnover da s decreased b 42 da s from 171 da s for the corresponding period of last ear to 129 da s. The Group's optimal inventor levels should be sufficient for three months' consumption in the case of pol silicon and one month consumption for other au iliar ra materials.

Trade receivable turnover days

The Group's credit polic allo s a credit period of 30 to 90 da s from the invoice date for its trade receivables. For the first half of 2010, the trade receivable turnover da s of the Group decreased b 23 da s from 73 da s for the corresponding period of last ear to 50 da s, hich

Liquidity and financial resources

The Group’s principal sources of orking capital during the period under revie ere cash flo s from operating activities and bank borro ings. As at 30 June 2010, the Group’s current ratio (current assets divided b current liabilities) as 1.77 (31 December 2009: 2.27). The Group had net borro ings of RMB70.164 million as at 30 June 2010 (31 December 2009: RMB82.255 million) ith cash in bank and on hand of RMB313.357 million (31 December 2009: RMB236.191 million), pledged deposits of RMB64.660 million (31 December 2009: RMB44.055 million), short-term bank loans of RMB374.838 million (31 December 2009: RMB289.274 million), long-term bank loan of RMB70 million (31 December 2009: RMB70 million) and long-term municipal government loan of RMB3.343 million (31 December 2009: RMB3.227 million). Net debt to equit ratio (net debt divided b equit of shareholders) as 4.9% (31 December 2009: 5.9%). Such ratios sho that the Group’s financial position remains health .

The Group’s net cash inflo from operating activities for the period under revie amounted to RMB63.308 million hich as mainl due to the improved condition of trade receivables collection and the reasonable credit period for purchasing pa ment granted b suppliers.

The Group’s net cash inflo from investing activities amounting to RMB16.014 million as mainl capital e penditure for enhancing production capacit .

The Group’s net cash inflo generated from financing activities amounted to RMB55.814 million, mainl consisted of ne bank loans for satisf ing the demand of liquidit .

Contingent liabilities

At 30 June 2010, the Group had no material contingent liabilities.

Foreign currency risk

The Group is e posed to foreign currenc risk primaril through sales and purchases and cash and bank deposits that are denominated in a currenc other than the functional currenc of the operations to hich the relate. The currencies giving rise to this risk to the Group are primaril the US Dollar and Hong Kong Dollar. The Directors do not e pect an significant impact from movements in e change 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 e posure is kept to an acceptable level b bu ing or selling the US Dollar at spot rates here necessar to address short-term imbalances.

Human resources

As at 30 June 2010, the Group had 1,530 (30 June 2009: 1,168) emplo ees. The increase of emplo ees as mainl due to the e pansion of production scale.

F

As the relevant technologies of the solar energ industr are becoming mature and our a areness of environmental protection has been gro ing, together ith the increase in direct and indirect measures to encourage the development of the solar energ industr b various countries and organisations, it sho s that replacing traditional fossil fuels b rene able energ such as solar energ has become a global trend and the prospects of the industr are promising.

Last ear the United States passed a US$787 billion economic stimulus plan called the cit ospects r are 8.3159
A rirect rboreas5(des T s2rotdus2670. rirect)T19425 TcPhotovoltaictpo tog sola prot 7 tec

Enhancing capacity and technology and optimising production efficiency

After ears of development, the Group has secured a leading position in the monocr stalline solar ingot and afers manufacturing sector of the industr . In regards to the e pansion of production capacit , it is e pected that, after the completion of production capacit e pansion in the third quarter of 2010, production capacit of monocr stalline solar ingots ill be increased to 800MW and monocr stalline afers ill be increased to 420MW. In respect of product development, the Group ill further develop and master its slicing technolog in order to further reduce production costs. Leveraging on its solid technolog foundation, the Group can currentl produce monocr stalline solar aters to customers' specification of 125mm or 156mm, and of 150 m to 180 m in thickness.

In light of market demands, the Group ill continue to devote effort in research and development ith a vie to e panding the product ranges as ell as to optimise its abilit to improve ingot cr stallisation, afer slicing and the reclaiming and upgrading of pol silicon. The Group ill also enhance production efficienc and reduce costs through e changing technologies and introducing the latest technologies.

Accelerating downstream business and maximising synergies

Another of the Group's future profit gro th points lies in the development of the do nstream business of solar energ photovoltaic modules as ell as such businesses as s stem design and installation. There is ample room for enhancement in terms of technolog and market share. Currentl , the Group's annual capacit for solar energ photovoltaic modules is 50MW. The Group is activel pursuing product certification. It is e pected that upon obtaining product certification from Europe and the US, capacit can be e panded to 100MW ithin this ear and doubled to 200MW b the end of 2011.

To enhance cost advantage, the Group has entered into a cooperation agreement ith the Xining Economic & Technolog Development Zone Administration Committee to acquire a 51% equit interest in Qinghai Chenguang Ne Energ Co., Ltd.(Qinghai Chenguang) b means of a ne capital injection in Qinghai Chenguang amounting to RMB45,900,000 for the construction of production equipment for monocr stalline silicon ingots. The e pected total investment of the project is RMB300,000,000. The 2-phase construction of the project is scheduled to commence in late 2010 and late 2011 respectivel . B mid-2013 hen the investment project runs at full capacit , the ne facilities of Qinghai Chenguang ill have a total of 192 monocr stalline ingot pullers and the annual production capacit ma reach 2,000

In addition, the Group will continue to strengthen the development of the downstream solar energy system sector, leveraging on the geographical location and market strength of Qinghai Chenguang to tap into the local market of downstream products. Apart from developing relevant downstream products through Jinzhou Jinmao Photovoltaic Technology Company Limited, a subsidiary of the Group, to produce module products of greater reliability and quality for customers, the Group also strives to explore new market channels and create synergies by developing the downstream end-user market of the Qinghai Xining district. Leveraging on its leading position in the solar energy business, the downstream products of the Group may soon obtain market recognition, making stable and significant contribution to the Group's turnover and market share. The Group will also proactively seek for cooperation with well-known clients in the industry and well-established international enterprises for further development to maintain the continuous and steady growth of its business.

Exploring overseas markets and establishing diversified source of revenue

The Group is committed to becoming the world's biggest manufacturer of monocrystalline silicon ingots and wafers and a major manufacturer of multicrystalline silicon products. In order to further capitalise on the immense opportunities arising in the global market and enhance the Group's presence, the Group will further deepen the exploration of overseas markets, especially the markets of North America and Japan which demonstrate tremendous market potential. The long-term target is to gradually increase the proportion of overseas market sales to make up 50% of the Group's total sales, diversifying our source of revenue.

Looking forward, the Group will adopt a proactive development strategy, that ensures risk diversification and maintains a win-win scenario for jointed-parties under strategic partnership, integrating existing resources while further consolidating the business of monocrystalline and multicrystalline silicon solar ingots and wafers, as well as speeding up the exploration of the downstream supply chain of the photovoltaic industry. The Group will strive to develop overseas markets and proactively seek new business growth points. We will also work towards promoting the utilisation of solar energy in power generation at a cost comparable to that of fossil fuels, contributing to the Earth's conservation and the maintenance of a lasting green living environment.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance

The Company reviews and enhances its corporate governance practices continuously and is committed to a high standard of corporate governance. During the six months ended 30 June 2010, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. For details of the corporate governance of the Company, please refer to the Corporate Governance Report as set out in the annual report of the Company for the year ended 31 December 2009.

C T D

The Compan has adopted the Model Code for Securities Transactions as set out in Appendi 10 of the Listing Rules as the code of conduct regarding securities transactions b the Directors. Specific enquiries have been made b the Compan to confirm that all Directors have been complied ith the Model Code for the si months ended 30 June 2010.

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There as no purchase, sale or redemption b the Compan or an of its subsidiaries, of the Compan 's listed securities during the si months ended 30 June 2010.

A C

The Audit Committee of the Compan , comprising four independent non-e ecutive Directors and one non-e ecutive Director, has revie ed the accounting principles and practices adopted b the Group and such matters as internal controls and financial reporting ith the management of the Compan , including the revie of the interim results for the si months ended 30 June 2010.

B CA T F F A C A F A T

The interim report for the si months ended 30 June 2010 containing all the detailed information ill be dispatched to the shareholders of the Compan and published on the respective ebsites of the Stock E change (http:// .hke ne s.hk) and the Compan (http:// .solargiga.com) in due course.

B Order of the Board
E H
H
Executive Director

Hong Kong, 24 August 2010

As at the date of this announcement, Mr. Tan Wenhua, Mr. Hsu You Yuan and Ms. Zhang Liming are executive Directors of the Company, Mr. Chiao Ping Hai and Mr. Chong Kin Ngai are non-executive Directors of the Company and Mr. Wong Wing Kuen, Albert, Ms. Fu Shuangye, Dr. Lin Wen and Mr. Zhang Chun are independent non-executive Directors of the Company.