Shunfeng Photovoltaic International Limited
順風光電國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

RESULTS HIGHLIGHTS

	Year ended 31 December		
	2012	2011	% of
	RMB'000	*RMB'000*	Changes
Revenue	**1,059,489**	1,971,530	–46.3%
Gross profit	**64,982**	210,286	–69.1%
(Loss) Profit attributable to owners of the Company	**(186,347)**	57,182	–425.9%
	RMB cents	*RMB cents*	
Basic (loss) earnings per share	**(11.95)**	4.22	–383.2%
	MW	MW	
Shipment volume			
Monocrystalline solar cells			
156 mm by 156 mm	**106.5**	234.6	–54.6%
125 mm by 125 mm	**9.4**	59.1	–84.1%
Multicrystalline solar cells			
156 mm by 156 mm	**257.5**	43.7	489.2%
Solar modules	**13.4**	14.3	–6.3%

Inter-segment sales of wafers of approximately 68.1 MW and solar cells of approximately 16.9 MW amounting to RMB119.6 million and RMB49.8 million have been eliminated in the revenue of the Year, respectively.

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2012 together with the comparative figures for the year ended 31 December 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**1,059,489**	1,971,530
Cost of sales		**(994,507)**	(1,761,244)
Gross profit		**64,982**	210,286
Other income	*4*	**30,529**	11,076
Other gains and losses and other expense	*5*	**(210,479)**	(74,605)
Research and development expenses		**(15,584)**	(4,081)
Distribution and selling expenses		**(7,645)**	(6,919)
Administrative expenses		**(58,591)**	(52,841)
Finance costs	*6*	**(74,733)**	(48,506)
(Loss) Profit before taxation	*7*	**(271,521)**	34,410
Income tax credit (expense)	*8*	**185**	(10,657)
(Loss) Profit and total comprehensive (expenses) income for the Year		**(271,336)**	23,753
(Loss) Profit and total comprehensive (expenses) income attributable to:			
Owners of the Company		**(186,347)**	57,182
Non-controlling interests		**(84,989)**	(33,429)
		(271,336)	23,753
		RMB cents	*RMB cents*
(Loss) Earnings per share — Basic	*9*	**(11.95)**	4.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**1,265,832**	1,285,558
Prepaid lease payments — non-current		**50,218**	51,340
Deposits for acquisition of property, plant and equipment		**17,763**	30,318
Deposits for acquisition of land use rights		**11,271**	19,060
Deferred tax assets		**11,514**	11,829
Other receivable due after one year		**8,317**	—
		1,364,915	1,398,105
Current assets			
Inventories		**32,905**	74,307
Trade and other receivables	*11*	**241,238**	525,014
Value-added tax recoverable		**84,220**	112,384
Prepayments to suppliers		**19,335**	10,610
Prepaid lease payments — current		**1,122**	1,122
Tax recoverable		**3,463**	—
Pledged bank deposits		**10,695**	148,506
Restricted bank deposits		**276,437**	236,075
Bank balances and cash		**17,280**	120,122
		686,695	1,228,140
Current liabilities			
Trade and other payables	*12*	**600,449**	785,982
Customers' deposits received		**12,512**	4,704
Obligations under finance leases		**27,215**	25,105
Tax liabilities		**—**	2,260
Other financial liabilities		**—**	7,758
Borrowings		**903,217**	730,187
		1,543,393	1,555,996
Net current liabilities		**(856,698)**	(327,856)
Total assets less current liabilities		**508,217**	1,070,249

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**12,892**	12,892
Reserves	**477,656**	664,003
Equity attributable to owners of the Company	**490,548**	676,895
Non-controlling interests	**(59,256)**	25,733
Total equity	**431,292**	702,628
Non-current liabilities		
Borrowings	**—**	269,000
Obligations under finance leases	**21,545**	48,656
Deferred income	**55,380**	49,965
	76,925	367,621
Total equity and liabilities	**508,217**	1,070,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The Group had net current liabilities as at 31 December 2012. The Directors are of the opinion that, taking into account the presently available banking facilities of RMB1,400,000,000 as at the date of issuance of the consolidated financial statements, and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the consolidated financial statements. Hence, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB").

Amendments to IAS 12	Deferred Tax: Recovery of Underlying Asset; and
Amendments to IFRS 7	Financial Instruments: Disclosures — Transfers of Financial Assets;

Amendments to IFRS 7 Disclosures — Transfers of Financial Assets

The Group has applied for the first time, the amendments to IFRS 7 *Disclosures — Transfers of Financial Assets* in the current year. The amendments increase the disclosure requirements for transaction involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred.

The Group has discounted bills receivables to banks with full recourse, and transferred bills receivables to its suppliers to settle its payables through endorsing the bills to its suppliers with full recourse. The Group has derecognized these bills receivables and the payables to suppliers in their entirety as in the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers under the relevant PRC practice, rule and regulations. In the opinion of the directors of the Company, the Group has limited exposure in respect of the settlement obligation of these bills receivable under relevant PRC rules and regulations should the issuing bank fail to settle the bills on maturity date. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable.

In accordance with the transition provisions set out in the amendments to IFRS 7, the Group has not provided comparative information for the disclosures required by the amendments.

Except as described above, the application of the other amendments to IFRS in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRSs	Annual Improvements to IFRSs 2009–2011 Cycle[1]
Amendments to IFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[2]
IFRS 9	Financial Instruments[3]
IFRS 10	Consolidated Financial Statements[1]
IFRS 11	Joint Arrangements[1]
IFRS 12	Disclosure of Interests in Other Entities[1]
IFRS 13	Fair Value Measurement[1]
IAS 19 (as revised in 2011)	Employee Benefits[1]
IAS 27 (as revised in 2011)	Separate Financial Statements[1]
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[2]
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine[1]

1 Effective for annual periods beginning on or after 1 January 2013
2 Effective for annual periods beginning on or after 1 January 2014
3 Effective for annual periods beginning on or after 1 January 2015
4 Effective for annual periods beginning on or after 1 July 2012

New and revised standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

IFRS 10 replaces the parts of IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. SIC 12 *Consolidation — Special Purpose Entities* will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC 13 *Jointly Controlled Entities — Non-monetary Contributions by Venturers* will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these five IFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The Directors do not anticipate that the application of the standards and amendments will have a material effect on the Group's consolidated financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Directors anticipate that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

The Directors anticipate that the application of other new or revised IFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

The Group has been operating in one reportable segment, being the manufacturing and sales of solar cells, solar modules and solar wafers. The chief executive officer, who is also a director of the Company, being the chief operating decision maker, regularly reviews revenue analysis by major products and the Group's loss for the year to make decisions about resources allocation and performance assessment. No segment information is presented other than entity-wide disclosures as no other discrete financial information is available for the assessment of performance and resources of the Group's business activities.

Entity-wide disclosures

Revenue analyzed by major products

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

The following table sets forth a breakdown of the Group's revenue for the year ended 31 December 2012 and 2011:

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Monocrystalline solar cells	**366,723**	1,713,053
Multicrystalline solar cells	**633,233**	166,563
Solar modules	**54,710**	91,914
Solar wafers	**4,823**	—
Total	**1,059,489**	1,971,530

4. OTHER INCOME

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Bank interest income	**7,936**	3,194
Government grants *(note)*	**13,565**	3,563
Gain on sales of raw and other materials	**1,868**	3,167
Subcontract processing fee	**5,332**	—
Others	**1,828**	1,152
	30,529	11,076

Note: The government grants represent the amount received from the local government by the PRC operating entities of the Group. Government grants of approximately (a) RMB7,657,000 (2011: RMB1,099,000) represents incentive received in relation to activities carried out by the Group; (b) RMB4,358,000 (2011: RMB1,614,000) represents subsidy on acquisition of land use rights and machineries amortized to profit or loss and (c) RMB1,550,000 (2011: RMB850,000) represents grants in recognition of the Group's successful listing in the Hong Kong Stock Exchange in year 2011.

5. OTHER GAINS AND LOSSES AND OTHER EXPENSES

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Other gains and losses:		
Gain (loss) on disposal of property, plant and equipment	**7**	(1)
Foreign exchange gains	**739**	9,284
Change in fair values of foreign currency forward contracts	**(3,006)**	(7,758)
Release of gain on a sale and leaseback arrangement	**2,331**	582
	71	2,107
Other expenses:		
Legal and professional fees *(note)*	**—**	(13,060)
Impairment loss on property, plant and equipment	**(187,708)**	(63,652)
Impairment loss on prepayment to suppliers	**(762)**	—
Impairment loss on trade and other receivables	**(21,494)**	—
Others	**(586)**	—
	(210,550)	(76,712)
Total	**(210,479)**	(74,605)

Note: The amount mainly represented legal and professional expenses incurred for the preparation of the listing of the Shares on the Main Board of Hong Kong Stock Exchange.

6. FINANCE COSTS

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Interest on bank borrowings wholly repayable within five years	**46,584**	44,849
Finance charges on factoring of bills receivable	**32,062**	4,919
Interest on finance leases wholly repayable within five years	**4,808**	1,235
Total borrowing costs	**83,454**	51,003
Less: amounts capitalized	**(8,721)**	(2,497)
	74,733	48,506

Borrowing costs capitalized during the year ended 31 December 2012 arose on the general borrowing pool and are calculated by applying a capitalization rate of 6.71% (2011: 6.52%) per annum to expenditure on qualifying assets.

7. (LOSS) PROFIT BEFORE TAXATION

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
(Loss) profit before tax has been arrived at after charging:		
Directors' remuneration	**2,008**	1,487
Other staff costs	**82,544**	61,191
Other staff's retirement benefits scheme contributions	**5,870**	3,745
Total staff costs	**90,422**	66,423
Auditor's remuneration	**1,504**	1,777
Cost of inventories recognized as expense *(note)*	**994,507**	1,761,244
Depreciation of property, plant and equipment	**79,833**	44,598
Release of prepaid lease payments	**1,122**	945
Operating lease rentals in respect of rented premises	**2,194**	1,924

Note: Included in costs of inventories recognized as expense were write-down of inventories to net realizable values of approximately RMB7,223,000 (2011: RMB3,627,000).

8. INCOME TAX (CREDIT) EXPENSE

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**—**	22,486
Over provision in prior year		
PRC Enterprise Income Tax	**(500)**	—
	(500)	22,486
Deferred taxation	**315**	(11,829)
Tax charge	**(185)**	10,657

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

Pursuant to the relevant laws and regulations in the PRC, Shunfeng Technology is exempted from the PRC enterprise income tax for two years starting from first profit-making year, followed by a 50% reduction for the next three years. As a result, Shunfeng Technology was exempted from enterprise income tax for two years, starting from its first profitable year, which were 2007 and 2008, and was then entitled to a 50% reduction in enterprise income tax for three years thereafter from year 2009 to 2011. Shunfeng Technology was subject to 12.5% tax rate for the year ended 31 December 2011.

On 8 November 2011, Shunfeng Technology obtained "High Technology Enterprise" status for 3 years that entitles Shunfeng Technology a preferential tax rate of 15% for year 2012 and 2013 according to the PRC tax law. Shunfeng Technology was subject to 15% tax rate in year 2012. No provision for taxation has been made in respect of Shunfeng Technology as it has no taxable profit generated in current year.

The remaining subsidiaries of the Company established in the PRC are subject to the PRC enterprise income tax rate of 25%. No provision for taxation has been made in respect of these subsidiaries as there was no taxable profit generated in current year.

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share for the year is based on the consolidated loss attributable to the owners of the Company and on the number of 1,560,000,000 shares in issue (2011: weighted average number of 1,353,780,822 shares on the assumption that the Group Reorganization and capitalization issue have been effective on 1 January 2011).

The over-allotment option of the Company did not have a dilutive effect to the Company's earnings per share during the year ended 31 December 2011 because the exercise price of such option was higher than the average market prices of the Company's shares during the period when the option was exercisable. The dilute loss per share is the same as basic loss per share, as there were no potential dilutive ordinary shares outstanding in year 2012.

10. DIVIDENDS

No dividend was paid or proposed during 2012, nor has any dividend been proposed since the end of the reporting period (2011: nil).

11. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**172,006**	265,267
Less: Allowance for doubtful debts	**(21,494)**	—
	150,512	265,267
Bills receivable	**47,972**	210,399
Other receivables and prepayments *(note)*	**42,754**	49,348
	241,238	525,014

Note: The Group entered into an agreement (the "Original Agreement") with an independent third party which is not related to the Group and is engaged in the building of photovoltaic power generation plant. According to the terms of the Original Agreement, the Group advanced an amount of EURO4,000,000 (approximately RMB33,271,000) to the counterparty during the year ended 31 December 2011 for the building of a photovoltaic power generation project. In March 2012, the parties involved signed a supplementary agreement and mutually agreed that the advance will be repayable in one year since the date of the Original Agreement with interest at a rate of 5% per annum. In December 2012, the parties involved signed another supplement agreement and mutually agreed that the advance is charged with an interest at 6% per annum and will be repayable in the following manner: (i) EURO1,000,000 to be paid before 15 May 2013, (ii) EURO1,000,000 to be paid in July 2013, (iii) EURO1,000,000 to be paid in September 2013 and (iv) EURO1,000,000 and all outstanding interest payment to be paid in February 2014. The amount is also guaranteed by an independent third party. The management of the Group considers that the credit quality of the counterparty is good and no impairment loss is recognized. As an amount of EURO1,000,000 (equivalent to RMB8,317,000) is repayable after one year and is therefore classified as non-current assets.

The Group allows credit period up to 180 days (2011: up to 180 days) to its trade customers on a case by case basis. The following is an aged analysis of trade receivables net of allowance for doubtful debt presented based on invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	As at 31 December	
	2012	2011
Age	***RMB'000***	*RMB'000*
0 to 30 days	**23,326**	143,397
31 to 60 days	**46,218**	92,021
61 to 90 days	**29,140**	5,758
91 to 180 days	**16,353**	24,091
181 to 360 days	**28,423**	—
Over 360 days	**7,052**	—
	150,512	265,267

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

	As at 31 December	
	2012	2011
Age	***RMB'000***	*RMB'000*
0 to 30 days	**5,226**	41,372
31 to 60 days	**8,517**	8,000
61 to 90 days	**11,480**	145,927
91 to 180 days	**22,749**	15,100
	47,972	210,399

No interest is charged on the Group's trade receivables and bills receivable. The Group did not hold any collateral over these balances. Before accepting any new customers, the Group assesses the potential customers' credit quality and defines credit limits by customer.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB92,689,000 (31 December 2011: RMB37,791,000) which are past due at the reporting date. The Directors have considered the credit quality of the relevant customers and subsequent settlements and concluded that the Group is not required to provide for impairment loss. The average age of these receivables is 124 days (2011: 103 days).

Ageing of trade receivables which are past due but not impaired

	2012	2011
	RMB'000	*RMB'000*
0 to 30 days	**55,504**	614
31 to 60 days	**21,008**	11,827
61 to 90 days	**6,192**	1,359
91 to 180 days	**8,235**	23,991
181 to 365 days	**1,024**	—
1 to 2 years	**726**	—
	92,689	37,791

Movement in the allowance for doubtful debts

	2012	2011
	RMB'000	*RMB'000*
1 January	**—**	—
Impairment losses recognized on trade receivables	**21,494**	—
31 December	**21,494**	—

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of RMB21,494,000 (31 December 2011: nil) which have been placed under liquidation or in severe financial difficulties.

Trade and other receivables that were denominated in USD, HKD and EURO, foreign currencies of the relevant group entities, were retranslated to RMB and stated for reporting purpose as:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
USD	**7,477**	16,270
HKD	**334**	1,192
EURO	**34,522**	32,650

12. TRADE AND OTHER PAYABLES

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Trade payables	**177,818**	196,683
Bills payables	**323,244**	450,436
Payables for acquisition of property, plant and equipment	**75,011**	115,253
Other tax payables	**1,296**	276
Other payables and accrued charges	**23,080**	23,334
	600,449	785,982

The credit period on purchases of goods is 0 to 180 days (2011: 0 to 180 days) and certain suppliers allow longer credit period on a case-by-case basis.

The following is an aged analysis of the Group's trade payables presented based on invoice date at the end of the reporting period:

	As at 31 December	
	2012	2011
Age	***RMB'000***	*RMB'000*
0 to 30 days	**86,169**	139,505
31 to 60 days	**34,434**	39,409
61 to 90 days	**16,375**	12,159
91 to 180 days	**33,937**	5,602
Over 180 days	**6,903**	8
	177,818	196,683

The following is an aged analysis of the Group's bills payable presented based on issue date at the end of the reporting period:

	As at 31 December	
	2012	2011
Age	***RMB'000***	*RMB'000*
0 to 30 days	**36,521**	55,698
31 to 60 days	**76,775**	64,339
61 to 90 days	**38,279**	60,815
91 to 180 days	**171,669**	269,584
	323,244	450,436

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present to the Shareholders the audited consolidated annual results of the Group for the year ended 31 December 2012.

The continuing uncertainty of economy followed by anti-dumping and countervailing investigations launched by the United States and the European Union have adversely affected the solar energy industry and resulted in a decrease in pricing of solar products in 2012. The Group recorded a revenue of RMB1,059.5 million in 2012, representing a 46% decrease as compared with RMB1,971.5 million in 2011. The Group recorded a net loss of RMB271.3 million and achieved cash inflow from operating activities of RMB239.6 million in 2012. Our shipment volume of solar cells for the Year was approximately 373.4 MW, which represents an increase of 10.7% from 337.4 MW in 2011. Our shipment volume of solar modules slightly decreased to approximately 13.4 MW from 14.3 MW in 2011. Even during such unfavourable business environment resulting from global economic uncertainties, demand for our products by our customers was still sustainable. We believe this sustainability was attributable to our strong track record of product quality and superior branding.

The "Shunfeng Photovoltaic" brand is synonymous with quality. We maintain the strength of our brand by executing a stringent manufacturing process, tailoring our products to meet our customers' needs and leveraging our extensive track record of superior product quality.

Our Board and management team have confidence in the prospects of the solar energy industry. The National Development and Reform Commission of the PRC has recently announced that the cumulative solar PV target for year 2015 could reach approximately 35 GW under China's Twelfth Five-Year Plan. We believe governments of various countries will continue to invest in solar and other kinds of clean energy with the objective to achieve economic recovery, to create employment opportunities and, at the same time, to establish a low-carbon emission environment. With our reputation and our stable and well-managed relationships with suppliers and customers, I am confident that the Group has the capability to adapt to the new economic and competitive landscapes in the solar energy industry, and with the support of our Board and management team, I strongly believe that our business will continue to develop in a steady and healthy manner.

The Group had a solar cell production capacity of approximately 420 MW in 2012. In order to implement vertical integration to capture additional profit along the value chain and have greater achievement, we invested in the coordinated expansion of our silicon wafer production to realize the benefits of vertical integration. By the end of 2012, we had an annual silicon wafers production capacity of 200 MW installed, of which 66.7 MW has been started for production, and an annual solar module production capacity of 60 MW.

The Group will continue to strive to improve product quality and minimize production cost to further strengthen our competitive advantages. As disclosed in the section headed "Risks relating to our business and industry" of the prospectus dated 30 June 2011 issued by the Company, we must relocate our facilities originally in Xueyan Town, Changzhou City, Jiangsu Province to Wujin Hi-Tech Industrial Zone, Changzhou City, Jiangsu Province by no later than 31 December 2012. The above relocation had been completed before 31 December 2012. At present, the Group is refining its existing business strategies and identifying potential business opportunities proactively with the aim of capturing the enormous opportunities in the upcoming era of clean and economy solar energy, which will enable us to create the greatest reward for our Shareholders.

On 31 December 2012, the Company and the largest shareholder, Peace Link Services Limited, entered into a subscription agreement in respect of the issue of the convertible bond in the principal amount of HK$449,400,000. The convertible bond had been successfully issued as at 28 February 2013. We consider that the issue of the convertible bond will provide (i) the Company with immediate funding without immediate dilution of the shareholding of the existing Shareholders; and (ii) an opportunity for the Company, if the conversion rights attached to the convertible bond are exercised, to enlarge and strengthen its capital base. Having considered that the convertible bond bear no interest and the relative long maturity date of the convertible bond, we considered the issue of the convertible bond is an appropriate means of funding raising of the Company to strengthen our working capital.

Lastly, for and on behalf of the Board, I would like to acknowledge the dedications and efforts made by the management team and our staff during the past year and express my gratitude to our Shareholders and business partners for their continuous support and trust.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overall, the Group's existing business remains challenging and there are no clear visibility amidst the continuing global economic uncertainties. Concerns over global economic uncertainties, followed by anti-dumping and countervailing investigations launched by the United States and the European Union, have adversely affected the overall demand for and the price for solar products.

In long term, we believe that once the global economic uncertainties are cleared, the solar energy industry prospects will be promising. With respect to the global PV markets, countries including Germany, Spain and Italy are currently the major end markets. China, the United States, Japan, India, Australia and Brazil are emerging markets with substantial potential in the future. These countries either have policies that offer, or plan to introduce policies that offer substantial incentives in the form of direct subsidies for solar power system installations, or rebates for electricity produced from solar power. These policies would speed up the development of the PV manufacturing industry, as increasing government support would drive up demand for solar power.

In the meantime, the economic downturn has also created new opportunities for us. Our customers have realized the value of buying high-quality solar cells from a reputable and well-established producer with the indispensable strength and stability, like us, to support their long term development.

Our shipment volume for the Year was 386.8 MW, which was approximately 10.0% higher than that of approximately 351.7 MW in 2011. This indicated that even during the Year when the solar energy industry was severely threatened by anti-dumping and countervailing investigations launched by the United States and the European Union, we still secured sustainable demand for our products.

Our top 5 customers during the Year represented approximately 41.3% of our total revenue as compared with approximately 50.0% in 2011. Our largest customers accounted for approximately 26.9% of our total revenue for the Year while it represented approximately 27.6% in 2011. These changes were mainly due to our continuing efforts to optimise the customer base. We believe product quality and cost advantage will be crucial in the upcoming era of solar energy.

We have been able to gradually increase the number of customers, as well as expand our geographic coverage during 2012. In addition to our strong solar module manufacturers customer base in the PRC, we were able to expand our customer base to include leading solar cell and module manufacturers in other parts of the world.

During 2012, our sales to PRC based customers represented approximately 87.1% of our total revenue, as compared with approximately 95.5% in 2011. Our sales to overseas customers represented approximately 12.9% of our total revenue in 2012, as compared with approximately 4.5% in 2011. Our strong track record for product quality, advanced proprietary technology, and efforts to reduce production costs, have contributed to our reputation and thus our success in optimising our customer base. We believe such strategic moves will continue to contribute to a sustainable demand for our products.

Our ability to manufacture high quality solar cells (in terms of industry metrics) reflects on the conversion efficiency and quality of our products. Through utilising our competitive advantages, we strive to maintain our high quality standard in the production of solar cells.

We plan to devote substantial resources in research and development to enhance our manufacturing processes, reduce our production costs, and improve our product quality and performance. We believe these efforts, together with the industry experience of our management team, will enable us to continue to improve production efficiency and enhance product quality. These, we believe, will in turn help to promote our reputation in product innovation within the solar market.

In order to meet the anticipated growth in demand for our solar products, we have our solar cell production capacity of approximately 420 MW during 2012. While we plan to maintain our primary focus on solar cells, we also invested in the coordinated expansion of our silicon wafer production to realize the benefits of vertical integration. By the end of the Year, we had an annual silicon wafers production capacity of 200 MW installed, of which 66.7 MW has been started for production, and an annual solar module production capacity of 60 MW.

The intention of our diversified procurement strategy is to minimize potential disruptions to our operation in the event that any of our suppliers is unable to satisfy our order in a timely manner. We will continuously adhere to this strategy and diversify our supply source even when a supplier offers wafers at a more competitive unit price than other suppliers in the market. To ensure a successful implementation of this strategy, we will develop strategic alliances with our key suppliers, continue to maintain existing relationships, and expand our network of suppliers to, among others, emerging suppliers who are able to provide us with high-quality wafers.

Despite the adverse impacts by anti-dumping and countervailing investigations launched by the United States and the European Union, we have successfully taken effective steps to mitigate the relevant risks on our business resulting from the volatile and difficult economic environment in 2012 and in the coming future.

Financial Review

Revenue

Revenue decreased by RMB912.0 million, or 46.3%, from RMB1,971.5 million for the year ended 31 December 2011 to RMB1,059.5 million for the Year, primarily as a result of a decrease in the average selling price of our solar products, partially offset by an increase in our sales volume. The decrease in the average selling price of our solar products was generally due to the significant fall in the market prices for solar products, which was caused by anti-dumping and countervailing investigations launched by the United States and the European Union. The increase in our sales volume was generally due to the increase in customer demand for our multicrystalline solar products. The shipment volume of our solar products increased by 10.0% from 351.7 MW for the year ended 31 December 2011 to 386.8 MW for the Year. Inter-segment sales of wafers of approximately 68.1 MW and solar cells of approximately 16.9 MW amounting to RMB119.6 million and RMB49.8 million, respectively, have been eliminated in the revenue of the Year.

For the Year, sales of monocrystalline solar cells and multicrystalline solar cells accounted for 34.6% and 59.8% of the total revenue, respectively, while sales of solar modules accounted for 5.0% of the total revenue.

Sales of 156 mm by 156 mm monocrystalline solar cells

Revenue from sales of 156 mm by 156 mm monocrystalline solar cells decreased by RMB1,036.4 million, or 75.6%, from RMB1,371.8 million for the year ended 31 December 2011 to RMB335.4 million for the Year, primarily as a result of a decrease in shipment volume by 54.6% from 234.6 MW for the year ended 31 December 2011 to 106.5 MW for the Year and a decrease in our average unit price for this product by 44.8% from RMB5.8 per watt for the year ended 31 December 2011 to RMB3.2 per watt for the Year.

Sales of 156 mm by 156 mm multicrystalline solar cells

Revenue from sales of 156mm by 156mm multicrystalline solar cells increased by RMB466.6 million, or 280.1%, from RMB166.6 million for the year ended 31 December 2011 to RMB633.2 million for the Year, primarily as a result of an increase in shipment volume by 489.2% from 43.7 MW for the year ended 31 December 2011 to 257.5 MW for the Year which was partially offset by a decrease in our average unit price for this product by 34.2% from RMB3.8 per watt from the year ended 31 December 2011 to RMB 2.5 per watt for the Year.

Sales of 125 mm by 125 mm monocrystalline solar cells

Revenue from sales of 125 mm by 125 mm monocrystalline solar cells decreased by RMB309.9 million, or 90.8%, from RMB341.2 million for the year ended 31 December 2011 to RMB31.3 million for the Year, primarily as a result of a decrease in our average unit price for this product by 41.4% from RMB5.8 per watt for the year ended 31 December 2011 to RMB3.4 per watt for the Year and a decrease in our shipment volume by 84.1% from 59.1 MW for the year ended 31 December 2011 to 9.4 MW for the Year.

Sales of solar modules

Revenue from sales of solar module decreased by RMB37.2 million, or 40.5%, from RMB91.9 million for the year ended 31 December 2011 to RMB54.7 million for the Year, primarily as a result of a decrease in our average unit price for this product by 37.5% from RMB6.4 per watt for the year ended 31 December 2011 to RMB4.0 per watt for the Year and a decrease in our shipment volume by 5.6% from 14.3 MW for the year ended 31 December 2011 to 13.5 MW for the Year.

Geographic markets

In terms of geographic markets from which our revenue was generated, approximately 87.1% of the total revenue for the Year was generated from sales to our PRC customers, as compared with 95.5% for the year ended 31 December 2011. The remaining portion was generated from the sales to our overseas customers, who are mainly based in certain European countries.

Cost of sales

Cost of sales decreased by RMB766.7 million, or 43.5%, from RMB1,761.2 million for the year ended 31 December 2011 to RMB994.5 million for the Year, primarily as a result of a decrease in our procurement cost partly offset by the increase in our shipment volume.

Gross profit

Gross profit decreased by RMB145.3 million, or 69.1%, from RMB210.3 million for the year ended 31 December 2011 to RMB65.0 million for the Year, primarily as a result of the aforesaid reasons.

Other income

Other income increased by RMB19.5 million, or 175.6%, from RMB11.1 million for the year ended 31 December 2011 to RMB30.5 million for the Year, primarily due to an increase in bank interest income, the government grants and subcontract processing fee.

Other gains and losses

Other gains and losses decreased by RMB135.9 million, or 182.1% from net loss of RMB74.6 million for the year ended 31 December 2011 to net loss of RMB210.5 million for the Year, which was primarily due to an increase in impairment loss on property, plant and equipment and impairment recognised on trade and other receivables, partially offset by a decrease in legal and professional fees.

Research and development expenses

Research and development expenses increased by RMB11.5 million, or 281.9%, from RMB4.1 million for the year ended 31 December 2011 to RMB15.6 million for the Year, primarily due to enhancing our manufacturing process, reducing our production costs and improving our product quality and performance.

Distribution and selling expenses

Distribution and selling expenses increased by RMB0.7 million, or 10.5% from RMB6.9 million for the year ended 31 December 2011 to RMB7.6 million for the Year, primarily due to the increase in our shipment volume from 351.7 MW for the year ended 31 December 2011 to 387.6 MW for the Year.

Administrative expenses

Administrative increased by RMB5.8 million, or 10.9%, from RMB52.8 million for the year ended 31 December 2011 to RMB58.6 million for the Year, primarily as a result of increased in sewages charges and legal and professional fee.

Finance costs

The Group had bank loans carrying variable interest rates based on the benchmark interest rates issued by the People's Bank of China and also had fixed rate borrowings. Interest expenses in relation to bank loans and obligations under the finance lease increased by RMB26.2 million, or 54.1%, from RMB48.5 million for the year ended 31 December 2011 to RMB74.7 million for the Year, primarily as a result of an increase in the amount of bank loans borrowed.

(Loss) Profit before taxation

Profit before taxation decreased by RMB305.9 million, or 889.2%, from a profit of RMB34.4 million for the year ended 31 December 2011 to a loss of RMB271.5 million for the Year, as a result of the reasons stated above.

Income tax expense

Income tax expense decreased from RMB10.7 million for the year ended 31 December 2011 to a tax credit of RMB0.2 million for the Year, primarily as a result of the recognition of deferred tax which arose from the asset-related government grants received for the Year and over provision in prior year PRC Enterprise Income Tax.

On 8 November 2011, Shunfeng Technology obtained "High Technology Enterprise" status for 3 years that entitles Shunfeng Technology a preferential tax rate of 15% until year 2013 according to the PRC tax law. Shunfeng Technology was subject to 15% tax rate for the Year.

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

(Loss) Profit for the Year

Net profit decreased by RMB295.1 million, or 1,242.3%, from a profit of RMB23.8 million for the year ended 31 December 2011 to a loss of RMB271.3 million for the Year, as a result of the reasons stated above. Net profit margin decreased from 1.2% for the year ended 31 December 2011 to –25.6% for the Year.

Inventory turnover days

The inventories of the Group mainly comprised raw materials, work-in-progress and finished goods. The decrease in inventories was mainly due to the decrease on procurement cost of the Group. Included in the balance of the inventories as at 31 December 2012 was a write-down of inventories of RMB7.2 million (31 December 2011: RMB3.6 million), which was mainly due to the continuous fall in the prices of raw material and product selling prices caused by the global economic slowdown. The inventory turnover days as at 31 December 2012 was 20.3 days (31 December 2011: 11.6 days). Unless we received attractive offers from suppliers, the optimal inventory level should be around one month of our sales volume to meet the Group's production requirements.

Trade receivables turnover days

The trade receivables turnover days as at 31 December 2012 was 75.3 days (31 December 2011: 28.8 days). The increase in turnover days was mainly due to the change in the general market environment and even with such increase, the trade receivables turnover days as at 31 December 2012 was still within the credit period (normally 15 to 180 days) which the Group grants to its customers.

Trade payables turnover days

The trade payables turnover days as at 31 December 2012 was 68.7 days (31 December 2011: 23.9 days). Given the established relationship and the change in general market environment, our suppliers allowed the Group to have a reasonable payment period throughout the Year.

Indebtedness, liquidity, gearing ratio and capital structure

The Group's principal sources of working capital included cash flow from operating activities, bank and other borrowings and the proceeds from the Global Offering. As at 31 December 2012, the Group's current ratio (current assets divided by current liabilities) was 0.4 (31 December 2011: 0.8) and it was in a negative net cash position. The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a strong liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet our future development demands for capital. As at 31 December 2012, the Group was in a negative net cash position of RMB885.9 million (31 December 2011: RMB610.1 million) which included cash and cash equivalent of RMB17.3 million (31 December 2011: RMB120.1 million) and short-term bank and other borrowings of RMB903.2 million (31 December 2011: RMB730.2 million).

The Group's borrowings were denominated in RMB while its cash and bank balances, restricted bank deposits and pledged bank deposits were denominated in RMB, HKD, EURO and JPY. The Group's net debt to equity ratio (net debt divided by shareholders' equity) increase from 125.1% as at 31 December 2011 to 205.4% as at 31 December 2012.

The Group has budgeted RMB182.0 million for its production capacity expansion, which will be funded by proceeds from the Global Offering, our cash flows from operations and/or bank loans.

During 2012, the Group did not entered into any financial instrument for hedging purposes nor did the Group have any currency borrowings and other hedging instruments to hedge against foreign exchange rate risks (31 December 2011: Nil).

Contingent liabilities and guarantees

As at 31 December 2012, the Group did not provide any guarantees for any third party and had no significant contingent liabilities (31 December 2011: Nil).

Charges on the Group's assets

As at 31 December 2012, the Group pledged cash deposits and restricted bank deposits in an aggregate amount of approximately RMB287.1 million (31 December 2011: RMB384.6 million) to banks to secure banking facilities granted to the Group.

During 2012, the Group obtained other borrowing from an independent third party amounting to RMB35,000,000 (2011: nil), which was unsecured, bearing interest at fixed interest rate of 6.1% per annum and repayable within one year.

Save as disclosed above, as at 31 December 2012 and 31 December 2011, no other assets of the Group was under charge in favor of any financial institution.

Exposure to the fluctuation in exchange rates

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

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

Significant investments held and material acquisitions or disposals

There was no significant investment in, and no material acquisition or disposal of subsidiaries and associated companies by the Group during the Year.

Human resources

As at 31 December 2012, the Group had 1,107 employees (31 December 2011: 1,107). The remuneration packages for the existing employee include basic salaries, discretionary bonuses and social security contributions. Pay levels of the employees are commensurate with their responsibilities, performance and contribution.

Final dividend

The Board has resolved not to declare a final dividend for the Year.

Use of net proceeds from the listing

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

The use of the net proceeds from the Global Offering as at 31 December 2012 was as follows:

Use	**Percentage of net proceeds**	**Amount of net proceeds** *(in HK$ million)*	**Amount remaining** *(in HK$ million)*	**Amount utilised** *(in HK$ million)*
Expansion of solar cell production capacity	45%	187.4	187.4	—
Expansion of silicon wafer production capacity	45%	187.4	121.8	65.6
Expansion of solar module production capacity	8%	33.3	33.3	—
Working capital	2%	8.3	8.3	—
	100%	416.4	350.8	65.6

The Directors intend to apply the remaining net proceeds in the manner set out in the prospectus of the Company dated 30 June 2011.

EVENT AFTER THE YEAR

On 14 January 2013, the Company entered into an agreement to acquire 45.45% equity interest in Shunfeng Materials from New Capability Limited, a substantial shareholder of Shunfeng Materials, at a consideration of RMB72,000,000. Upon completion of above acquisition, Shunfeng Materials will become an indirect wholly-owned subsidiary of the Company and the financial results of Shunfeng Materials will continue to be consolidated into the accounts of the Company. The Company is optimistic on the business prospects of Shunfeng Materials and the Group as a whole once the overall solar energy market rebounds and when Shunfeng Materials starts to operate in full scale. The Group could secure a reliable source of silicon wafer at lower costs without consideration of any price concerns concerned raised or to be raised by other shareholder of Shunfeng Materials.

On 25 March 2013, the Company has entered into a letter of intent with Hainan Tibetan Autonomous Prefectural People's Government in Qinghai Province ("Tibetan Autonomous Prefectural People's Government") to establish a photovoltaic industrial park by using plateau ecological and organic agriculture technologies in Hainan Tibetan Autonomous Prefecture in Qinghai Province (the "Possible Cooperative Investment"). Hainan Tibetan Autonomous Prefectural in Qinghai Province has abundant sunshine and land resources, and the local government could provide certain preferential tax treatment for the establishment of a photovoltaic industrial park by using plateau ecological and organic agriculture technologies. Subject to the entering of the formal agreement, Tibetan Autonomous Prefectural People's Government will provide the Company with certain preferential treatment including, among other things, land and preferential tax treatment, in addition to its preferential treatment under the Western Region Development policies. The Company will make investment of not less than RMB10 billion within ten years and be responsible for the overall implementation of the Possible Cooperative Investment. The Possible Cooperative Investment will help the Company to take advantage of its strength in solar photovoltaic technologies to make investment in Hainan Tibetan Autonomous Prefecture in Qinghai Province.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all applicable code provisions under the Code on Corporate Governance Practices (formerly set out in Appendix 14 to the Listing Rules) for the period from 1 January 2012 to 31 March 2012 and Corporate Governance Code (the new edition of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules) for the period from 1 April 2012 to 31 December 2012, except for the following deviation:

According to Code A.1.8 of the Corporate Governance Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Company is negotiating with the relevant insurance agents about the liability insurance for the Directors and will arrange such insurance cover in due course.

COMPLIANCE WITH THE MODEL CODE

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

REVIEW OF ANNUAL FINANCIAL INFORMATION

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

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

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

SUFFICIENCY OF PUBLIC FLOAT

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

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

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

DEFINITIONS

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

"Board"	the board of Directors
"Company", "we" or "us"	Shunfeng Photovoltaic International Limited
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Directors(s)"	the director(s) of the Company
"EURO"	Euro, the lawful currency of the member states of European Union
"Global Offering"	the global offering of 390,000,000 Shares by the Company by way of Hong Kong public offering and international offering on 13 July 2011
"Group"	the Company and its subsidiaries
"Group Reorganization"	Pursuant to the group reorganization as disclosed in section headed "History and Corporate Structure — Restructuring" to the prospectus dated 30 June 2011 issued by the Company
"GW"	gigawatt, which equals to ten billion watt
"HKD", "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"JPY"	Japanese Yen, the lawful currency of Japan
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"MW"	megawatt, which equals to one million watt
"PRC" or "China"	the People's Republic of China
"PV"	Photovoltaic
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Shunfeng Materials"	Changzhou Shunfeng Photovoltaic Materials Co., Ltd.
"Shunfeng Technology"	Jiangsu Shunfeng Photovoltaic Technology Co., Ltd.
"United States"	the United States of America
"Year"	twelve months ended 31 December 2012

By order of the Board of
Shunfeng Photovoltaic International Limited
Tang Guoqiang
Chairman

Jiangsu, the PRC, 28 March 2013

As at the date of this announcement, the executive Directors are Mr. Tang Guoqiang, Mr. Shi Jianmin and Mr. Wang Yu; and the independent non-executive Directors are Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Jiang Bin.