OFFERING CIRCULAR
CNPV
China Solar Photovoltaic SA

LISTING ON ALTERNEXT

PRIVATE PLACEMENT

First trades

14/08/2008

AVERTISSEMENT

Cet Offering Circular est réalisé dans le cadre d'une opération réservée à des Investisseurs Qualifiés tels qu'ils sont définis par l'article L. 411-2 du Code monétaire et financier. Cette opération, préalable à une admission au marché Alternext d'Euronext Paris S.A., a pris la forme d'une augmentation de capital.

Les personnes ou entités mentionnées au 4° du II article L. 411-2 du Code monétaire et financier ne peuvent participer à cette opération que pour compte propre dans les conditions fixées par les articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 et D. 764-1 du Code monétaire et financier.

Cette opération ne donne pas lieu à un prospectus soumis au visa de l'AMF.

La diffusion, directe ou indirecte, dans le public des instruments financiers acquis à l'occasion de cette émission ne peut être réalisée que dans les conditions prévues aux articles L. 411-1, L. 411-2, L. 412-1 et L. 621-8 à L. 621-8-3 du Code monétaire et financier.

Invest Securities Corporate

LISTING SPONSOR

Des exemplaires du présent document sont disponibles sans frais auprès de INVEST SECURITIES ainsi que sur le site internet d'Alternext (www.alternext.fr).

Rappel : Décret no 2006-557 du 16 mai 2006 modifiant le chapitre Ier du titre Ier du livre IV de la partie réglementaire du code monétaire et financier

Le Premier ministre,

Sur le rapport du ministre de l'économie, des finances et de l'industrie,

Vu le code des assurances ;

Vu le code monétaire et financier, notamment son article L. 411-2 ;

Vu le code de la mutualité ;

Vu le code de la sécurité sociale ;

Vu l'ordonnance no 45-2710 du 2 novembre 1945 relative aux sociétés d'investissement ;

Vu l'ordonnance no 96-50 du 24 janvier 1996 relative au remboursement de la dette sociale, notamment son article 1er ;

Vu la loi no 72-650 du 11 juillet 1972 modifiée portant diverses dispositions d'ordre économique et financier, notamment son article 4 ;

Vu la loi no 85-695 du 11 juillet 1985 portant diverses dispositions d'ordre économique et financier, notamment son article 1er ;

Vu la loi no 2005-842 du 26 juillet 2005 pour la confiance et la modernisation de l'économie, Décrète :

Art. 1er. − Les articles D. 411-1 et D. 411-2 du code monétaire et financier sont remplacés par les articles D. 411-1 à D. 411-4 ainsi rédigés :

« *Art. D. 411-1.* − I. – Ont la qualité d'investisseurs qualifiés au sens de l'article L. 411-2 lorsqu'ils agissent pour compte propre :

« 1o Les établissements de crédit et les compagnies financières mentionnés respectivement à l'article L. 511-9 et à l'article L. 517-1 ;

« 2o Les institutions et services mentionnés à l'article L. 518-1 ;

« 3o Les entreprises d'investissement mentionnées à l'article L. 531-4 ;

« 4o Les sociétés d'investissement mentionnées à l'article 6 de l'ordonnance du 2 novembre 1945 susvisée ;

« 5o Les organismes de placement collectif mentionnés à l'article L. 214-1 et les sociétés de gestion d'organisme de placement collectif mentionnées à l'article L. 543-1 ;

« 6o Les sociétés d'assurance et les sociétés de réassurance mentionnées, respectivement, au premier alinéa de l'article L. 310-1 et à l'article L. 310-1-1 du code des assurances ;

« 7o Les sociétés de groupe d'assurance mentionnées à l'article L. 322-1-2 du code des assurances ;

« 8o Les institutions de prévoyance mentionnées à l'article L. 931-1 du code de la sécurité sociale ;

« 9o Le fonds de réserve pour les retraites mentionné à l'article L. 135-6 du code de la sécurité sociale ;

« 10o Les mutuelles et unions de mutuelles relevant du livre II du code de la mutualité autres que celles mentionnées à l'article L. 510-2 du même code ;

« 11o Les compagnies financières holdings mixtes mentionnées à l'article L. 517-4 et au 9o de l'article L. 334-2 du code des assurances ;

« 12o Les Etats membres de l'Organisation de coopération et de développement économiques ;

« 13o La Banque centrale européenne et les banques centrales des Etats membres de l'Organisation de coopération et de développement économiques ;

« 14o Les organismes financiers internationaux à caractère public auxquels la France ou tout autre Etat membre de l'Organisation de coopération et de développement économiques fait partie ;

« 15o La Caisse d'amortissement de la dette sociale instituée par l'article 1er de l'ordonnance du 24 janvier 1996 susvisée ;

« 16o Les sociétés de capital-risque mentionnées à l'article 1er de la loi du 11 juillet 1985 susvisée ;

« 17o Les sociétés financières d'innovation mentionnées au III de l'article 4 de la loi du 11 juillet 1972 susvisée ;

« 18o Les intermédiaires en marchandises ;

« 19o Les entités remplissant au moins deux des trois critères suivants :

« – effectifs annuels moyens supérieurs à 250 personnes ;

« – total du bilan supérieur à 43 millions d'euros ;

« – chiffre d'affaires ou montant des recettes supérieur à 50 millions d'euros.

« Ces critères sont appréciés au vu des derniers comptes consolidés ou, à défaut, des comptes sociaux, tels que publiés et, le cas échéant, certifiés par les commissaires aux comptes.

« II. – Ont également la qualité d'investisseurs qualifiés, lorsqu'ils agissent pour compte propre et à partir du jour de réception de l'accusé de réception attestant de leur inscription sur le fichier mentionné à l'article D. 411-3 :

« 1o Les entités qui remplissent au moins deux des trois critères suivants :

« – effectifs annuels moyens inférieurs à 250 personnes ;

« – total du bilan inférieur à 43 millions d'euros ;

« – chiffre d'affaires ou montant des recettes inférieur à 50 millions d'euros.

« Ces critères sont appréciés au vu des derniers comptes consolidés ou, à défaut, des comptes sociaux, tels que publiés et, le cas échéant, certifiés par les commissaires aux comptes. La décision d'inscription sur le fichier mentionné à l'article D. 411-3 est prise, selon le cas, par le conseil d'administration, par le directoire, par le ou les gérants, ou par l'organe de gestion de l'entité ;

« 2o Les personnes physiques remplissant au moins deux des trois critères suivants :

« – la détention d'un portefeuille d'instruments financiers d'une valeur supérieure à 500 000 € ;

« – la réalisation d'opérations d'un montant supérieur à 600 € par opération sur des instruments financiers, à raison d'au moins dix par trimestre en moyenne sur les quatre trimestres précédents ;

« – l'occupation pendant au moins un an, dans le secteur financier, d'une position professionnelle exigeant une connaissance de l'investissement en instruments financiers.

« III. – Ont également la qualité d'investisseur qualifié :

« 1o Les entités mentionnées au I lorsqu'elles agissent pour le compte d'un organisme de placement collectif ou d'un investisseur qualifié appartenant à l'une des catégories mentionnées au I ou au II ;

« 2o Les prestataires de services d'investissement lorsqu'ils agissent dans le cadre d'une activité de gestion de portefeuille pour le compte de leur mandant.

« *Art. D. 411-2.* − Ont également la qualité d'investisseurs qualifiés les personnes physiques ou entités reconnues investisseurs qualifiés dans les Etats parties à l'accord sur l'Espace économique européen, conformément aux dispositions de la directive 2003/71/CE du 4 novembre 2003.

« *Art. D. 411-3.* − Les personnes ou entités mentionnées au II de l'article D. 411-1 qui en font la demande et déclarent sous leur responsabilité réunir les critères mentionnés au II de l'article D. 411-1 sont inscrites dans un fichier tenu par l'Autorité des marchés financiers selon les modalités fixées par son règlement général. Ces personnes ou entités peuvent renoncer à tout moment à leur qualité d'investisseur qualifié en accomplissant les formalités fixées par le règlement général de l'Autorité des marchés financiers.

« *Art. D. 411-4.* − Le seuil mentionné au dernier alinéa du II de l'article L. 411-2 est fixé à 100. »

Art. 2. − Le ministre de l'économie, des finances et de l'industrie est chargé de l'exécution du présent décret, qui sera publié au *Journal officiel* de la République française.

Fait à Paris, le 16 mai 2006.

Par le Premier ministre : DOMINIQUE DE VILLEPIN

Le ministre de l'économie, des finances et de l'industrie, THIERRY BRETON

Free Translation of the 3 first pages for information only

DISCLAIMER

This Offering Circular has been realized in the framework of the operation to the benefit of the Qualified Investors as defined by article L. 411-2 of the Monetary and Financial Code. This Operation, previously to the admission on Alternext markets from Euronext Paris S.A., is made as a share capital increase.

Persons or entities mentioned to 4° of II article L .411-2 of the Monetary and Financial Code can not participate to an operation for own benefit in the conditions set out in articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 et D. 764-1 of the Monetary and Financial Code.
This operation does not require a prospectus submitted to the AMF visa.

The diffusion direct or indirect to the public of the securities obtained at the occasion of this issuance have to be realized under the conditions set out at articles L. 411-1, L. 411-2, L. 412-1 et L. 621-8 à L. 621-8-3 of Monetary and Financial Code.

Invest Securities
Corporate

LISTING SPONSOR

Originals of the following document are available at first request and without cost to INVEST SECURITIES, as well as on the Alternext website (www.alternext.fr).

Reminder: Decree no 2006-557 of May 16 2006 modifying chapter 1 of Title 1 of book IV of the regulatory part of the Monetary and Financial Code

The Prime Minister,
On the report of the Minister of Economic Affairs, Industry and Finance,
Considering the Insurance code;
Considering the Monetary and Financial Code and, in particular, article L. 411-2;
Considering the Mutual Insurance Code,
Considering the Social Security Code,
Considering Law no 45-2710 dated November 2, 1945 regarding Investment companies;
Considering Law no 96-50 dated January 24, 1996 regarding the redemption of social debt, in particular article 1 thereof;
Considering Law no 72-650 dated July 11, 1972 modifying the rules for economic and financial dealings, in particular article 4

thereof;

Considering Law no 85-695 dated July 11, 1985 dealing with economical and financial provisions, in particular article 1 thereof;

Considering Law no 2005-842 dated July 26, 2005 for the trust and the modernization of the economy, issue:

Art. 1er. – Articles D. 411-1 and D. 411-2 of Monetary and Financial Code are replaced by articles D. 411-1 to D. 411-4 as detailed herewith:

« *Art. D. 411-1.* − I. – The following have the capacity of qualified investors, as defined in article L. 411-2, when acting on their own behalf:

« 1o credit institutions and financial companies as mentioned respectively in article L. 511-9 and article L. 517-1;

« 2o Institutions and services mentioned in article L. 518-1 ;

« 3o Investment companies mentioned in article L. 531-4 ;

« 4o Investment companies mentioned in article 6 of the aforementioned Law dated November 2 1945;

« 5o Collective investment companies mentioned in article L. 214-1, companies investing collectively in transferable securities, as mentioned in article L. 543-1;

« 6o Insurance companies and reinsurance companies mentioned in article L.310-1 and article L.310-1-1 of the French Insurance Code;

« 7o Insurance companies and groups mentioned in article L.322-1-2 of the French Insurance Code;

« 8o Pension funds mentioned in article L.931-1 of the French Social Security Code;

« 9o Pension reserve funds mentioned in article L.135-6 of the French Social Security Code;

« 10o Mutual insurance companies and unions referred to in Book II of the French Mutual Insurance Code other than those mentioned in article L.510-2 of the same Code;

« 11o Mixed-activity financial holding companies mentioned in article L. 517-4 and in paragraph 9 of article L. 334-2 of the French Insurance Code;

« 12o Member States of the OECD;

« 13o The Central European Bank and central banks of member States of the OECD;

« 14o International public financial organizations to which France or any other member State of the OECD belong;

« 15o The *Caisse d'Amortissement de la Dette Sociale* (social debt redemption fund) instituted by article 1 of the aforementioned Order dated 24 January;

« 16o Capital risk companies mentioned in article 1 of the aforementioned Law dated 11 July 1985;

« 17o Financial corporations for innovating concepts mentioned in Section III of article 4 of the aforementioned Law dated 11 July 1972;

« 18o Goods trading companies;

« 19o Companies meeting at least two of the following three criteria:

« – average annual head-count in excess of 250 employees;

« – balance sheet figure in excess of 43 million Euros;

« – turnover or income in excess of 50 million Euros.

« These criteria are assessed as being met in the light of the consolidated accounts or, failing these, the company accounts, as published and, if necessary, certified by the statutory auditors.

« II. – The following also have the capacity of qualified investors, when acting on their own behalf, and as from the date of receipt of acknowledgement of receipt of their registration on the list mentioned in article D.411-3:

« 1o Companies meeting at least two of the following three criteria:

« – average annual head-count less than 250 employees;

« – balance sheet figure less than 43 million Euros;
« – turnover or income less than 50 million Euros.
«These criteria are assessed as being met in the light of the consolidated accounts or, failing these, the company accounts, as published and, if necessary, certified by the statutory auditors. The decision for registration on the list mentioned in article D. 411-3 is taken, according to the circumstances, by the Board of Directors, the Executive Board, the manager(s) (*gérant(s)*), or the company's management body;
« 2o Natural persons meeting at least two of the following three criteria:
« – hold a portfolio of financial instruments of an amount in excess of 500,000 €;
« – carry out transactions involving financial instruments for amounts in excess of 600 € per transaction, with an average of at least ten transactions per quarter over the last four quarters;
« – hold office for at least a year, in the financial sector, in a professional capacity requiring know-how for investments in involving financial instruments.
« III. – The following also have the capacity of qualified investor:
« 1o Companies mentioned in Section I, when acting on behalf of collective investment undertakings or a qualified investor belonging to one of the categories mentioned in Sections I or II;
« 2o Investment services providers, when acting on behalf of their commissioner in the scope of a portfolio management activity.
« Art. D. 411-2. − The following also have the capacity of qualified investors: natural persons or entities recognised as qualified investors in the States which are party to the Agreement on the European Economic Area, pursuant to the provisions of the EC Directive no 2003/71/CE dated 4 November 2003.
« Art. D. 411-3. − The persons or entities mentioned in Section II of article D. 411-1 which so request and declare under their sole responsibility that they meet the criteria mentioned in Section II of article D. 411-1, that they are registered on a list held by the *Autorité des Marchés Financiers* [French security markets regulatory body] in accordance with the terms set forth its general regulations. These persons or entities may renounce to their capacity of qualified investor at any time by carrying out the formalities required by the general regulations of the *Autorité des Marchés Financiers*.
« Art. D. 411-4. − The ceiling amount mentioned in the last paragraph of Section II of article L. 411-2 is fixed at 100. »

Art. 2. The Minister of Economic Affairs, Industry and Finance is in charge of the said decree, which shall be published on the *Journal officiel* of the French Republic.

Signed in Paris, on May 16, 2006.

By the Prime Minister: DOMINIQUE DE VILLEPIN

The Minister of Economic Affairs, Industry and Finance: THIERRY BRETON

Table

1. PERSON RESPONSIBLE FOR THE OFFERING CIRCULAR

1.1 Person responsible for the offering circular

Mr. ZHANG Shun Fu, Chairman and Chief Executive Officer of CNPV.

1.2 Declaration by person responsible for the offering circular

“Having taken all reasonable measures to this effect, we hereby certify that the information contained within this Offering Circular is, to the best of our knowledge, accurate and contains no omissions of a kind likely to alter its substance.

The auditors have provided us with an end-of-assignment letter in which they confirm having verified the information concerning the financial situation and the accounts contained herein as well as having read the Offering Circular in its entirety.”

Mr. ZHANG Shun Fu,
Chairman and Chief Executive Officer of CNPV.

2. AUDITORS

2.1 Principal auditor

HRT Révision SA
23, Val Fleuri
L - 1526 Luxembourg
Phone: +352 45 54 54-1
Fax: +352 45 54 88
was appointed principal auditors at the General Meeting of 11/07/2008.
Their mandate will expire at the end of the General Meeting convened to approve the accounts for the fiscal year ending 2013.

2.2 Alternate auditor

Grant Thornton Lux Audit SA
Luxembourg Member Firm Grant Thornton International Ltd.
83 Pafebruch
L-8308 CAPELLEN (Luxembourg)
Phone:+352 40 12 99 22
Fax:+352 40 05 98
was appointed alternate auditors
They signed the accounts consolidated pro forma for the fiscal year ending 2007.

3. PROCEDURE FOR PLACEMENT TO QUALIFIED INVESTORS AND LISTING ON ALTERNEXT

3.1 Placement Procedure

This placement is a private placement reserved to qualified investors within the meaning assigned to it in the warning in the front cover page and is not a public offering (the "**Placement**"). This Placement will consist of a share capital increase up to a maximum nominal amount of 1 500 000 by the issuance of a maximum of 15 000 000 New Securities (the "**Share Capital Increase**"), the "**Offer**" or, as appropriate, the "**Securities Offered**").

This Placement may be completed ahead of schedule without prior notice.

Upon completion of the Placement, the listing on Alternext will take place through the direct listing procedure provided for by the Alternext rule 3.2 (the "**Listing**").

The Founding Shareholders committed themselves not to sell directly or indirectly any of their direct or indirect holdings in the Company for a six-month period starting upon Listing.

3.2 Investors

3.2.1 Qualified investors

No action has been or will be taken in any jurisdiction by the Company, the Selling Shareholder or the Founding Shareholders that would permit a public offering of the Securities or possession or distribution of an offering circular or any other material relating to the Company or the Securities in any jurisdiction where action for that purpose is required. This Offering Circular or any other material relating to the Company or the Securities may not be used for, in connection with, and does not constitute any offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this Offering Circular may come are required to inform themselves about, and to observe, all such restrictions. Neither the Company, the Selling Shareholder, nor any of the Founding Shareholders accepts any responsibility for any violation by any person, whether or not it is a prospective purchaser of Securities, of any such restrictions. Each Founding Shareholder has agreed to comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Securities or has in its possession any offering documents or any amendment or supplement thereto or any other offering or publicity material.

France
This Offering Circular has not been prepared in the context of a public offering in France within the meaning of Article L.411-1 of the *Code monétaire et financier* and Title I of Book II of the AMF and therefore has not been submitted for clearance to the AMF. Consequently, the Securities are not being offered, directly or indirectly, to the public in France and this Offering Circular has not been and will not be distributed to the public in France. Offers, sales and distributions of the Securities in France will be made only to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, articles L.411-2 and D.411-1 of the *Code monétaire et financier*, on the condition that (i) this Offering circular shall not be circulated or reproduced (in whole or in part) by such qualified

investors, (ii) such investors act for their own account and (iii) they undertake not to transfer the Additional Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2 and L.621-8 of the *Code monétaire et financier*).

United Kingdom

(a) This Offering Circular has only been communicated or caused to be communicated, and will be only communicate or cause to be communicated, an invitation or inducement to engage in any investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any security in circumstances in which section 21(1) of the FSMA does not apply to the Company; and

(b) It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

Italy

The Offer of Securities has not been cleared by the *Commissione Nazionale per le societa e la Borsa* ("**Consob**") pursuant to Italian securities legislation and, accordingly, no Security will be offered, sold or delivered, no copies of this Offering Circular or any other document relating to the Securities may be distributed in the Republic of Italy, except to professional investors, as defined in Article 31, second paragraph, of Consob Regulation n. 11522 of July 1, 1998, as amended, and provided that such professional investors act for their own account and not as depositaries or nominees for other shareholders.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the 2003/71/EC Directive (the 2003/71/EC Directive, together with the relevant implementing measures in each relevant Member State "**Prospectus Directive**") other than France (each, a "**Relevant Member State**"), there has been no Offer of any Security to the Public in any Relevant Member State in any manner requiring the publication of a prospectus. Securities in the Offering Circular may only be offered in any Relevant Member State: (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; or (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or (c) in any other circumstances which do not require the publication by the Company or any manager of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of the above, the expression "**Offer of any Security to the Public**" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase or subscribe any Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Japan

The Securities have not been and will not be registered under the Securities and Exchange Law of Japan and may not be offered or sold directly or indirectly in Japan except under circumstances that result in compliance all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorities in effect at the relevant time.

Australia

This Offering Circular has not been and will not be lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange and is not a disclosure document for purposes of Australian law. This Offering Circular (whether in preliminary or definitive form) may not be issued or distributed in Australia and no offer or invitation may be made in relation to the issue, sale or purchase of any Securities in Australia (including an offer or invitation received by a person in Australia) and no Securities may be sold in Australia, unless the offer or invitation does not need disclosure to investors under Part 6D.2 or Division 2 of Part 7.9 of the Corporations Act 2001 (Cth).

United States

The Securities Offered hereby have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any representation to the contrary is a criminal offense in the United States. The Securities are being offered outside the United States only in “offshore transactions” as defined in, and in accordance with, Regulation S of the Securities Act.

In addition to the qualified investors, a limited number of investors may participate in the Placement which can include the Company’s management, professional service providers, and family members, but the number of these people must be smaller than the number of qualified investors participating in this Placement and in any case remain below 100.

3.2.2 Securities that may be subscribed or purchased by Qualified Investors

Pursuant to a decision of the shareholders' general meeting of the Company on 08/08/2008, the share capital of the Company amounts to 509 402.80 euros, divided into 5,094,028 shares.

The securities representing the shares of the Company to be traded on Alternext shall be dematerialised (the “**Securities**”), and access of such the Securities to the Euroclear France operations in its quality of central depositary will be obtained prior to Listing.

In order to ensure the trading of the Securities, the Company will issue a global certificate representing all of the outstanding shares of the Company (including the shares to be issued in the context of the Placement) to be traded on Alternext. Pursuant to such global certificate, Euroclear will be designated in the shareholders' account registry of the Company as the holder of such shares.

Euroclear will then issue the Securities in favour of the shareholders through their financial intermediaries.

In case of any additional capital increase, Euroclear France will create the number of Securities corresponding to shares issued by the Company in the context of such capital increase following the delivery of a depositary certificate certifying the raising of the funds.

The Company will enter with first rate European bank (the "**Fiscal Agent**") the into an agreement pursuant to which the Fiscal Agent shall be in charge of the agency services in respect of the Securities.

In that respect, for any general meeting, the Fiscal Agent shall notify to the Security holders of such general meeting and arrange, as practicable, voting materials which will describe the matters to be voted on and how Security holders may vote.

The Fiscal Agent will further agree to pay to the Security holders through their financial intermediaries any cash, dividends, preemptive rights or any other distribution it would received from the Company.]

3.3 Application for Listing

The Company applies to Euronext for Listing the Securities Offered on Alternext market through a private placement resulting from the Share Capital Increase.

Timetable

Opening of the bookbuilding	08/07/2008
Closing of the bookbuilding	28/07/2008
Publication of this Offering Circular	12/08/2008
Settlement	14/08/2008
Delivery	14/08/2008
Listing of the Securities	14/08/2008

ISIN code:

LU 0379220212

4. SELECTED FINANCIAL INFORMATION

4.1 Consolidated income statement for the financial year ended 31/12/2007 and Pro forma income statement for the financial year ended 31/12/2006 of China Solar Photovoltaic Group Ltd

	2007	2006
	€	€
Revenue	27,434,521	1,727,843
Cost of sales	(22,873,331)	(1,237,709)
Gross profit	4,561,190	490,134
Other operating income	32,397	19,954
Selling and distribution expenses	(50,460)	(7,331)
Administrative expenses	(880,942)	(244,522)
Profit from operations	3,662,185	258,235
Finance costs	(46,990)	(16,546)
Profit before income tax	3,615,195	241,689
Income tax (expense)/benefit	103,936	(50,595)
Net profit for the year	3,719,131	191,094

4.2 Consolidated balance sheet as at 31/12/2007 and pro forma as at 31/12/2006 of China Solar Photovoltaic Group Ltd

ASSETS	2007	2006
	€	**€**
Non-current assets		
Property, plant and equipment	7,719,497	1,484,124
Land use rights	1,042,221	1,072,222
Deferred tax assets	108,560	7,329
Current assets		
Inventories	1,196,123	405,286
Trade and other receivables	9,507,508	444,294
Due from related parties	44,433	14,085
Cash and cash equivalents	373,817	548,979
	11,121,881	1,412,644
Total Assets	19,992,159	3,976,319
LIABILITIES		
Non-current liabilities		
Deferred income, non current	876,151	929,453
Current liabilities		
Short-term loan	932,792	487,021
Trade and other payables	9,197,577	263,268
Due to related parties	1,002,076	83,006
Income tax payable	55,213	57,367
Deferred income, current	18,413	19,131
	11,206,071	909,793
	12,082,222	1,839,246
EQUITY		
Capital and reserves		
Share capital	946	
Consolidation reserve	4,157,018	1,968,668
Capital reserve	102,167	-
Statutory reserves	586,563	28,664
Foreign currency translation reserve	(260,419)	(22,689)
Retained earnings	3,323,662	162,430
	7,909,937	2,137,073
Total equity and liabilities	19,992,159	3,976,319

4.3 Pro forma income statement for the financial year ended 31/12/2007 of China Solar Photovoltaic SA

	Notes	2007 €
Revenue		-
Cost of sales		-
Gross profit		-
Other operating income		-
Selling and distribution expenses		-
Administrative expenses	5	(123,000)
Profit from operations		(123,000)
Finance costs		-
Profit before income tax		(123,000)
Negative Goodwill	6	9,275
Income tax (expense)/benefit		-
Net profit for the year		(113,725)

Earnings per share	(0,024)

4.4 Pro forma balance sheet as at 31/12/2007 of China Solar Photovoltaic SA

ASSETS	Notes	2007 €
Non-current assets		
Property, plant and equipment	7	7,719,497
Land use rights	8	1,042,221
Deferred tax assets	9	108,560
		8,870,278
Current assets		
Inventories	11	1,196,123
Trade and other receivables	12	9,507,508
Due from related parties	19	43,771
Cash and cash equivalents	13	523,817
		11,271,219
Total Assets		20,141,497
LIABILITIES		
Non-current liabilities		
Deferred income, non current	14	876,151
Current liabilities		
Short-term loan	15	932,792
Trade and other payables	16	9,320,577
Due to related parties	19	1,002,076
Income tax payable		55,213
Deferred income, current	14	18,413
		11,329,071
		12,205,222
EQUITY		
Capital and reserves		
Share capital	17	466,000
Share premium	17	7,584,000
Profit for the year		(113,725)
Total equity and liabilities		20,141,497

5. RISK FACTORS

Investors should carefully consider all the information in this *Offering Circular*, including the risk factors described in this Section, before deciding whether to invest in the Company's shares. As of the date of registration of the *Offering Circular*, the Company believes that these risks could have a significant adverse effect on the Company, its business activity, financial situation, performance and growth. Investors should be aware that additional risks may exist that are not known as of the registration date of the *Offering Circular*, or that the Company considers immaterial based on information available at that time. Such risks could have a significant adverse effect on the Company, its business activity, financial position, results and growth.

5.1 Risks relating to the Company and its activities

5.1.1 Risks relating to the Company's business

5.1.1.1 The Company's limited operating history may not serve as an adequate measure of our future prospects and results of operations.

There is limited historical information available about the Company upon which you can base your evaluation of the Company's business and prospects. The Company began its current solar module manufacturing business in June 2006. As a result, the Company has shipped a limited number of solar modules and has recognized limited revenues. The Company's future success will depend on its ability to expand its manufacturing capacity significantly beyond its current level and to expand its output. The Company's ability to achieve satisfactory manufacturing yields for mono-crystalline and poly-crystalline silicon ingots, wafers, solar cells and PV modules at higher volumes are unproven. Accordingly, you should consider the Company's business and prospects in light of risks of an early-stage company.

5.1.1.2 The current industry-wide shortage of polysilicon may constrain the Company's revenue growth and decrease its gross margins and profitability

Polysilicon is an essential raw material in the production of solar cells and modules, and is also used in the semiconductor industry. There is currently an industry-wide shortage of polysilicon primarily as a result of the growing demand for solar power products. Increased production of solar or photovoltaic cells has caused the contract price of polysilicon, to triple in the past three years. The solar industry is growing rapidly despite being hampered by severe shortages of the polysilicon material. Approximately 30% of the world's supply of polysilicon is being used for production of renewable electricity solar power panels, and that percentage is expected to increase. As a consequence, the contract price of polysilicon has soared from $40/kg in 2004 to $120/kg in 2H07. Discussions with industry contacts suggest polysilicon spot prices are up to around $400 per kg in 1H08 and will still remain this high level for the next a few months. The Company purchases most of its polysilicon from the spot market using short-term contracts and purchase orders. Based on the Company's experience, it believes that the average price of polysilicon will continue to remain high or increase until a significant portion of polysilicon manufacturing capacity currently under construction becomes available. The Company purchases polysilicon from a limited number of international and domestic suppliers and has signed 2 agreements to ensure 8,35MW solar cells supply for 2008. The Company cannot ensure that its polysilicon procurement strategy will be successful in ensuring an adequate supply of polysilicon at commercially viable prices to meet its solar module production requirements. If the Company is unable to meet customers demand because of a shortage of polysilicon, it could lose customers. This could materially and adversely affect the Company's business, financial condition and results of operations.

5.1.1.3 The Company may be affected by volatile market and industry trends, such as the decrease in the price of solar modules.

The solar energy market has been experiencing a price decrease in solar modules since the second half of 2006 due to strong global growth in production capacity of cells and modules of existing and new manufacturers. The growth of the young, but promising markets, such as France, Greece and Italy, may not be rapid enough to absorb the modules that are made available on the market. As a result, the price of modules will be affected. The Company's margin may be materially and adversely affected by the negative market and industry trend, particularly with respect to the fall in the price of solar modules.

5.1.1.4 The Company may experience difficulty in achieving acceptable yields and product performance as a result of manufacturing problems

The technology for the manufacture of silicon ingots, wafers, cells and modules is complex, requires costly equipment and is continuously being modified in an effort to improve yields and product performance. Microscopic impurities such as dust and other contaminants, difficulties in the manufacturing process, disruptions in the supply of utilities or defects in the key materials and tools used to manufacture may cause a percentage of the production to be rejected, which in each case, negatively affects our yields. Because manufacturing capabilities are concentrated in Dongying, China, any problem may limit its ability to manufacture products, like production failures, construction delays, human errors, equipment malfunction or process contamination and power losses. For example, shortages or suspensions of power supplied to the Company have occasionally occurred and have disrupted the operations and caused damages to the production process. A disruption to any step of the manufacturing process will require the Company to repeat each step and recycle the silicon debris, thus affecting the Company's yields.

5.1.1.5 Existing regulations and policies and changes to these regulations and policies may present technical, regulatory and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for the products

The market for electricity generation products is heavily influenced by government regulations and policies concerning the electric utility industry, as well as policies adopted by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation. In a number of countries, these regulations and policies are being modified and may continue to be modified. Customer purchases of, or further investment in the research and development of, alternative energy sources, including solar power technology, could be deterred by these regulations and policies, which could result in a significant reduction in the potential demand for the Company's products. For example, without a regulatory mandated exception for solar power systems, utility customers are often charged interconnection or standby fees for putting power generation on the electric utility grid. These fees could increase the cost of using solar power products and make them less desirable, thereby harming the Company's business, prospects, results of operations and financial condition.

The Company anticipates that its products and their installation will be subject to oversight and regulation in accordance with national and local regulations relating to building codes, safety, and environmental protection, utility interconnection and metering and related matters. It is difficult to track the requirements of individual jurisdictions and design products to comply with the varying standards. Any new government regulation or utility policy unfavorable to the Company's solar power products may result in significant additional expenses to the Company and, as a result, could cause a significant reduction in demand for the Company's solar power products.

5.1.1.6 Because the markets in which the Company competes are highly competitive and many of its competitors are larger than the Company, the Company may not be able to compete successfully and the Company may lose or be unable to gain market share

The market for solar power products is competitive and fast evolving. The Company expects to face increased competition, which may result in price reductions, reduced margins or loss of market share. The Company competes with other solar module manufacturing companies such as Baoding Tianwei Yingli New Energy Resources Co., Ltd., BP Solar International Inc., ErSol Solar Energy AG, Suntech Power Holdings Co., Ltd. and Sunways AG. Some of the Company's competitors also manufacture solar cells. Some of the competitors have also become vertically integrated, from polysilicon production, silicon ingot and wafer manufacturing to solar power system integration, such as Renewable Energy Corporation ASA and SolarWorld AG. Many of the Company's competitors have a stronger market position than the Company's leading to greater economy of scale, more sophisticated technologies and products, and larger resources and better name recognition than the Company has.

Many of the Company's current and potential competitors have access to larger customer bases The Company's competitors may have stronger relationships or may enter into exclusive relationships with some of its key customers. As a result, they may be able to respond more quickly to changing customer demands or to devote greater resources to the development, promotion and sales of their products than the Company can. The Company's business relies on sales of its solar modules, and its competitors with a more diversified product range may be better positioned to answer the growing demand for solar modules. If the Company fails to compete successfully, its business would suffer and it may lose or be unable to gain market share.

5.1.1.7 Noncompliance with present or future construction and environmental regulations may result in potentially significant monetary damages and fines

In the past, the Company had begun constructing and operating facilities without having obtained all of the necessary construction and environmental permits. Although the Company has subsequently obtained all of the construction and environmental permits for these facilities, it cannot ensure that they will not be subject to fines or penalties for its past non-compliance.

5.1.1.8 The Company's future success substantially depends on its ability to significantly expand both its manufacturing capacity and output, which exposes the Company to a number of risks and uncertainties

The Company's future success depends on its ability to significantly increase both its manufacturing capacity and output. If the Company is unable to do so, it may be unable to expand its business, decrease its costs per watt, maintain its competitive position and improve its profitability. The Company's ability to establish additional manufacturing capacity and increase output is subject to significant risks and uncertainties, including:

- The need to raise significant additional funds to purchase raw materials or to build additional manufacturing facilities, which the Company may be unable to obtain on commercially viable terms or at all;
- delays and cost overruns as a result of a number of factors, many of which are beyond the Company's control, such as increases in the price of polysilicon and issues with major equipment vendors;
- diversion of significant management attention and other resources;
- failure to execute the Company's expansion plan effectively.

If the Company is unable to establish or successfully operate additional manufacturing capacity, or if it encounters any of the risks described above, the Company may be unable to expand its business as planned. Moreover, the Company cannot ensure that if it does expand the manufacturing capacity it will be able to generate sufficient customer demand for the solar power products to support its increased production levels.

In particular, the Company believes that the expansion of its manufacturing capacity is an integral part of the Company's long-term strategy to achieve a grid parity cost structure. The Company's ability to meet its estimate for the scale of production needed to achieve grid parity is affected by a number of factors, including its ability to achieve vertical integration and to increase its efficiencies and margins, the likelihood that the Company may approach or reach a point of diminishing returns as it continues to expand its scale, the average purchase price of silicon the Company will pay in the future to meet its expansion requirements, and the cost of conventional grid electricity which will determine at which point grid parity can be reached. The Company cannot ensure that it can meet its desired scale of production in order to fully implement its strategy.

5.1.1.9 The Company's business depends substantially on the continuing efforts of its executive officers, and the Company's business may be severely disrupted if it loses their services.

The Company's future success depends substantially on the continued services of its executive officers, especially Mr. ZHANG Shun Fu, the Company's chief executive officer. If one or more of the Company's executive officers or key employees were unable or unwilling to continue in their present positions, it might not be able to replace them easily or at all. The Company's business may be severely disrupted, its financial condition and results of operations may be materially and adversely affected, and it may incur additional expenses to recruit, train and retain personnel. Since the Company's industry is characterized by high demand and intense competition for talent, the Company also may not be able to attract or retain additional highly skilled employees or other key personnel that it will need to achieve its strategic objectives. As the Company is still a relatively young company and its business has grown rapidly, its ability to train and integrate new employees into its operations may not meet the fast growing demands of its business.

If any of the Company's executive officers or key employees joins a competitor or forms a competing company, it may lose customers, suppliers, know-how and key professionals and staff members. Each of the Company's executive officers has entered into an employment agreement with the Company, which contains non-competition provisions. However, if any dispute arises between the Company's executive officers and the Company, it can not ensure to which extent any of these agreements could be enforced in China, where these executive officers reside, in light of the uncertainties with China's legal system.

5.1.1.10 If the Company fails to manage its growth effectively with an adequate information system, the Company's business may be adversely affected

The Company has experienced a period of rapid growth and expansion that has placed, and continues to place, significant strain on its management personnel, systems and resources. To accommodate the Company's growth, the Company anticipates that it will need to implement a variety of new and upgraded operational and financial systems, procedures and controls, including the improvement of the Company's accounting and other internal management systems, all of which require substantial management efforts. The Company also will need to continue to expand, train, manage and motivate its workforce, manage its customer relationships. All of these endeavors will require substantial management effort and skill and incurrence of additional expenditures. The Company cannot ensure that it will be able to manage its growth effectively, and any failure to do so may have a material adverse effect on the Company's business.

5.1.1.11 The Company has limited insurance coverage and may incur losses resulting from product liability claims or business interruptions.

As with other solar power product manufacturers, the Company is exposed to risks associated with product liability claims if the use of its solar power products results in injury. Since the Company's products generate electricity, it is possible that users could be injured or killed by the products as a result of product malfunctions, defects, improper installation or other causes. Because of the Company's limited operating history, it cannot predict whether product liability claims will be brought against the Company in the future or the effect of any resulting negative publicity on its business. Moreover, the Company does not yet have product liability insurance in place, despite it is already in the process of negotiating with insurance companies, and may not have adequate resources to satisfy a judgment in the event of a successful claim against the Company. The successful assertion of product liability claims against the Company could result in potentially significant monetary damages and require the Company to make significant payments. In addition, as the insurance industry in China is still in an early stage of development, business interruption insurance available in China offers limited coverage compared to that offered in many other countries. The Company does not have any business interruption insurance. Any business disruption or natural disaster could result in substantial costs and diversion of resources.

5.1.1.12 Fluctuations in exchange rates could adversely affect the Company's business.

Most of the Company's sales, costs and expenses are currently denominated in RMB, US Dollar & Euros. The 2008 Company's sales strategy to address directly its European clients (instead of selling through Chinese trading companies), creates an additional exposure to the Euro currency exchange risk. Fluctuations in exchange rates, particularly among the US Dollar, Renminbi and the Euro, may affect the Company's net profit margins and could result in fluctuations in foreign exchange and operating gains and losses. The Company has not used any other forward contracts, currency options or borrowings to hedge its exposure to foreign currency exchange risk. The Company cannot predict the impact of future exchange rate fluctuations on its results of operations and may incur net foreign currency losses in the future.

5.1.1.12 The Company's inability to adequately protect its brand could have a material adverse effect on its business

The Company will use "CNPV power" as the single brand name of its product worldwide. The company has applied to the Trademark Bureau of the State General Administration of Industry and Commerce of the P.R.China for the registration of the trademark of "CNPV power", the registration code of the trademark of "CNPV power" is ZC6245707SL and the registration code was given on October 17th, 2007. However, this trade market has not been successfully registered yet in PR China.

The Company's applications for trademark registration may be refused or challenged in jurisdictions where a similar trademark for photovoltaic products has been registered prior to the filing of the Company's application. This inability to use its brand name may adversely affect the Company's business in the relevant jurisdiction.

5.1.2 Risks relating to technologies

5.1.2.1 The Company's technological advantages may be outweighed by additional costs

The Company's technologies are highly innovative and are at different stages of development. In each case there is a risk that the targeted achievement of performance at full operational size will involve additional cost and time requirements than having been budgeted, with consequent effects upon the funds required ,or it will result in higher unit production costs than projected with the result of reducing profitability.

Construction of the Company's production facility and initial commissioning tests allows production growth. If testing and refinement takes longer than expected, or if the Company does not meet its own quality controls in a timely manner, the Company's competitive advantage, its business, results from operations and financial condition will be adversely affected.

5.1.2.2 The Company may not be able to maintain or enhance its competitive advantage or keep pace with technological change

If the Company's products and services do not sustain or enhance their competitive advantage, its business, results from operations and financial condition will be adversely affected. The Company will need to continue to improve its products and to develop and market new products so that it can keep pace with technological developments.

If the Company could not be able to maintain or enhance the competitive value of its products or to develop and introduce new products successfully, or if new products fail to generate sufficient revenues to offset research and development costs, the Company's business, financial condition and operating results could be adversely affected. The Company cannot guarantee that it will successfully develop these types of products.

5.1.2.3 The Company's inability to adequately protect its proprietary technology could have a material adverse effect on its business

The Company relies substantially on proprietary technology, information, trade secrets, knowhow, laboratory research data and field research data to conduct its business and to attract and retain customers. The success of the Company's business depends on its ability to protect its know-how and its intellectual property portfolio, and to obtain patents without infringing the proprietary rights of others. If the Company does not effectively protect its know-how and intellectual property, its business and operating results could be harmed materially.

5.1.2.4 If solar power technology is not suitable for widespread adoption, or sufficient demand for solar power products does not develop or takes longer to develop than we anticipate, the Company's revenues may not continue to increase or may even decline, and the Company may be unable to sustain its profitability

The solar power market is at a relatively early stage of development, and the extent of acceptance of solar power products is uncertain. Market data on the solar power industry are not as readily available as those for other more established industries where trends can be assessed more reliably from data gathered over a longer period of time. In addition, demand for solar power products in the Company's targeted markets, including Germany, Italy and Spain, may not develop or may develop to a lesser extent than the Company anticipates. Many factors may affect the viability of widespread adoption of solar power technology and demand for solar power products, including:

- cost-effectiveness, performance and reliability of solar power products compared to conventional and other renewable energy sources and products;
- availability of government subsidies and incentives to support the development of the solar power industry;
- success of other alternative energy generation technologies, such as wind power, hydroelectric power and biomass;
- fluctuations in economic and market conditions that affect the viability of conventional and other renewable energy sources, such as increases or decreases in the prices of oil,other fossil fuels and electricity;
- capital expenditures by end users of solar power products, which tend to decrease when the economy slows down; and

- deregulation of the electric power industry and broader energy industry.

If solar power technology is not suitable for widespread adoption or sufficient demand for solar power products does not develop or takes longer to develop than the Company anticipates, its revenues may suffer and the Company may be unable to sustain its profitability.

5.2 Risks related to doing business in China

5.2.1 Adverse changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for the Company's products and materially and adversely affect the Company's competitive position

All of the Company's business operations are conducted in China and most of its sales are made in China. Accordingly, the Company's business, financial condition, results of operations and prospects are affected significantly by economic, political and legal developments in China. The Chinese economy differs from the economies of most developed countries in many respects, including:

- the amount of government involvement;
- the level of development;
- the growth rate;
- the control of foreign exchange; and
- the allocation of resources.

While the Chinese economy has grown significantly in the past 20 years, the growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall Chinese economy, but may also have a negative effect on the Company. For example, the Company's financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to the Company.

The Chinese economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of the productive assets in China is still owned by the PRC government. The continued control of these assets and other aspects of the national economy by the PRC government could materially and adversely affect the Company's business. The PRC government also exercises significant control over Chinese economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Efforts by the PRC government to slow the pace of growth of the Chinese economy could result in decreased capital expenditure by solar energy users, which in turn could reduce demand for the Company's products.

Any adverse change in the economic conditions or government policies in China could have a material adverse effect on the overall economic growth and the level of renewable energy investments and expenditures in China, which in turn could lead to a reduction in demand for the Company's products and consequently have a material adverse effect on the Company's businesses.

5.2.2 Uncertainties with respect to the PRC legal system could have a material adverse effect on the Company

The Company conducts substantially all of its business through its subsidiary, Dongying Photovoltaic Power Co., Ltd., or Dongying PV, which is a limited liability company established in China. Dongying PV is generally subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to wholly foreign-owned enterprises. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to the Company. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

5.2.3 The Company relies on dividends paid by its operating subsidiary for its cash needs

The Company primarily relies on dividends paid by its operating subsidiary, Dongying PV, for its cash requirements, including the funds necessary to pay dividends and other cash distributions to its shareholders, to service any debt it may incur and to pay its operating expenses. The payment of dividends by entities organized in China is subject to limitations. Regulations in the PRC currently permit payment of dividends by Dongying PV only out of accumulated profits as determined in accordance with accounting standards and regulations in China. Dongying PV is also required to set aside at least 10.0% of its after-tax profit based on PRC accounting standards each year to its general reserves until the accumulative amount of such reserves reach 50.0% of its registered capital. These reserves are not distributable as cash dividends. In addition, at the discretion of its board of directors, Dongying PV may allocate a portion of its after-tax profits to its staff welfare and bonus funds, which may not be distributed to equity owners except in the event of liquidation. Further, if Dongying PV incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to the Company.

5.2.4 Fluctuation in the value of the Renminbi may have a material adverse effect on the Company's business and on your investment.

The change in value of the Renminbi against the U.S. dollar, Euro and other currencies is affected by, among other things, changes in China's political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy has resulted in an appreciation of the Renminbi from approximately RMB 8.2765 per US$1.00 as of July 21, 2005 to RMB 6.9472 per US$1.00 as of June 1, 2008. While the international reaction to the Renminbi revaluation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the Renminbi against the U.S. dollar.

In addition, an appreciation in the value of the Renminbi against foreign currencies could make the Company's solar cells more expensive for its international customers as well as reduce the competitiveness of its PRC customers in the international market, thus potentially leading to a reduction in the Company's sales and profitability. Furthermore, many of the Company's competitors are foreign companies that could benefit from such a currency fluctuation, making it more difficult for the Company to compete with these companies.

5.2.5 PRC regulations on currency exchange and foreign investment may limit the Company's ability to receive and use its revenues effectively and may delay or prevent the Company from using the proceeds of this offering to make loans or additional capital contributions to its PRC operating subsidiaries.

Substantially all of the Company's revenues and a significant portion of its expenses are denominated in Renminbi. If the Company's revenues denominated in Renminbi increase or expenses denominated in Renminbi decrease in the future, it may need to convert a portion of its revenues into other currencies to meet its foreign currency obligations, including, among others, payment of dividends declared, if any, in respect of our ordinary shares. Under China's existing foreign exchange regulations, the Company's PRC subsidiary, Dongying Photovoltaic Power Co., Ltd is able to pay dividends in foreign currencies, without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements.

Foreign exchange transactions by Dongying PV under the capital account continue to be subject to significant foreign exchange controls and require the approval of PRC governmental authorities, including the SAFE. To utilize the proceeds of this offering in the manner described in "Use of Proceeds," as an offshore holding company of the Company's PRC operating subsidiaries, the Company may make loans to its PRC subsidiaries, or it may make additional capital contributions to its PRC subsidiaries. Any loans to the Company's PRC subsidiaries are subject to PRC regulations. For example, loans by the Company to its subsidiaries in China, which are foreign-invested enterprises, to finance their activities cannot exceed statutory limits and must be registered with the SAFE.

The Company may also decide to finance its subsidiaries by means of capital contributions. These capital contributions must be approved by the PRC Ministry of Commerce or its local counterparts. The Company cannot ensure that it will be able to obtain these government approvals on a timely basis, if at all, with respect to future capital contributions by the Company to its subsidiaries. If the Company fails to receive such approvals, its ability to use the proceeds of this offering and to capitalize its PRC operations may be negatively affected, which could materially and adversely affect the Company's liquidity and its ability to fund and expand our business.

Foreign exchange control in China

Major reforms have been introduced on the foreign exchange control system of the PRC since 1993.

The People's Bank of China, with the authorization of the State Council, issued on 28th December, 1993 the Notice on the Further Reform of the Foreign Exchange Control System (关于进一步改革外汇管理体制的通知) and on 26th March 1994 the Provisional Regulations on the Settlement, Sale and Payment of Foreign Exchange (结汇、售汇及付汇管理暂行规定) which came into effect on 1st April 1994 respectively. On 29th January 1996, the State Council promulgated the PRC Foreign Exchange Administration Regulations (中华人民共和国外汇管理条例) which took effect on 1st April 1996 and revised on 14 January 1997. On 20th June 1996, the PBOC issued the Administration Regulations on the Settlement, Sale and Payment of Foreign Exchange (结汇、售汇及付汇管理规定), which took effect on 1st July 1996. On 25th October 1998, the People's Bank of China and the State Administration of Foreign Exchange issued a Joint Announcement on Abolishment of Foreign Exchange Swap

Business (关于停办外汇调剂业务的通知) which stated that from 1st December, 1998, all foreign exchange transactions for FIEs may only be conducted through authorised banks.

These regulations contain detailed provisions regulating the holding, sale and purchase of foreign exchange by individuals, enterprises, economic bodies and social organizations in the PRC.

Under the new regulations, the previous dual exchange rate system for Renminbi was abolished and a unified floating exchange rate system based largely on supply and demand was introduced. The People's Bank of China, having regard to the trading prices between Renminbi and major foreign currencies on the inter-bank foreign exchange market, publishes on each bank business day the Renminbi exchange rates against major foreign currencies. In general, all organizations and individuals within the PRC, including foreign investment enterprises, are required to remit their foreign exchange income to the PRC. According to the Notice on Retaining the Foreign Exchange Incomes under Current Account by Domestic Institutions (关于境内机构保留经常项目外汇收入的通知) issued by the State Administration of Foreign Exchange on 12 August 2007, domestic entities, including domestic enterprises and FIEs, may retain their foreign exchange income under the current account in accordance with their operational needs. Foreign exchange income under the capital account must be deposited into foreign exchange bank accounts maintained with designated banks and can generally be retained in such accounts.

At present, control on the purchase of foreign exchange is being relaxed. Enterprises which require foreign exchange for their current activities such as trading activities and payment of staff remuneration may purchase foreign exchange from designated banks, subject to the production of relevant supporting documents without the need for any prior approvals of the State Administration of Foreign Exchange.

In addition, where an enterprise requires any foreign exchange for the payment of dividends that are payable in foreign currencies under applicable regulations, such as the distribution of profits by a foreign investment enterprise to its foreign investment party, then, subject to the due payment of income tax and the retention of statutory reserves the amount required may be withdrawn from funds in foreign exchange accounts maintained with designated banks, and where the amount of the funds in foreign exchange is insufficient, the enterprise may purchase additional foreign exchange from designated banks upon the presentation of the resolutions of the board of directors on the profit distribution plan of that enterprise.

Despite the relaxation of foreign exchange control over current account transaction, the approval of the foreign exchange administration authority is still required before a PRC enterprise may borrow a loan in foreign currency or provide any foreign exchange guarantee or make any investment outside of the PRC or to enter into any other capital account transaction involving the purchase of foreign exchange.

When conducting actual foreign exchange transactions, the designated banks may, based on the exchange rate published by the People's Bank of China and subject to certain limits, freely determine the applicable exchange rate.

The China Foreign Exchange Trading Centre ("CFETC") was formally established and came into operation in April 1994. CFETC has set up a computerized network with sub-centres in several major cities, thereby forming an interbank market in which designated PRC banks can trade in foreign exchange and settle their foreign currency obligations. Prior to 1st December, 1998, enterprises with foreign investment may at their own choice enter into exchange transactions through Swap Centre or through designated PRC banks. From 1st December, 1998 onwards, exchange transactions will have to be conducted through designated banks. Swap Centres became restricted to conducting foreign exchange transactions between authorised banks and inter-bank lending between PRC banks.

5.2.6 The Company's business benefits from certain PRC government incentives. Expiration of, or changes to, these incentives could have a material adverse effect on the Company's operating results.

The PRC government has provided certain incentives to foreign invested companies in order to encourage foreign investments, including tax exemptions, tax reductions and other measures. Under the former Income Tax Law and the related implementing rules, foreign-invested enterprises engaging in manufacturing businesses with a term of operation exceeding ten years may, subject to approval from local taxation authorities, be entitled to a two-year tax exemption from PRC enterprise income taxes starting from the year they become profitable, and a 50% tax reduction for the three years thereafter. As a result, the Company expects that Dongying PV will be entitled to a two-year enterprise income tax exemption for 2007 and 2008, and will receive a 50% enterprise income tax reduction for 2009, 2010 and 2011, assuming that the Company will be profitable for each of these years.

In December 2006, the PRC government officially submitted a draft new Enterprise Income Tax Law, imposing a single income tax rate of 25% for most domestic enterprises and FIEs. The draft contemplates various transition periods for existing preferential tax policies. The new Enterprise Income Tax Law has been enacted by the PRC National People's Congress and became effective as of 1st January, 2008. The new Enterprise Income Law cancelled the abovementioned tax incentives offered to FIEs. However, since Dongying PV was established prior to the enactment of the new Enterprise Income Law, it shall enjoy grandfathering treatment and be entitled to the above mentioned tax incentive.

When the Company's currently available tax benefits expire or otherwise become unavailable as a result of the enactment of the Enterprise Income Tax Law or any other reasons, the effective income tax rate of Dongying PV will increase significantly, and any increase of Dongying PV's income tax rate in the future could have a material adverse effect on the Company's financial condition and results of operations. Moreover, the Company's historical operating results may not be indicative of its operating results for future periods as a result of the expiration of the tax benefits currently available to the Company.

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Statements in this Offering Circular concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

5.2.7 The Company faces risks related to health epidemics and other outbreaks

The Company's business could be adversely affected by the effects of avian flu, SARS or another epidemic or outbreak. China reported a number of cases of SARS in April 2004. In 2005 and 2006, there have been reports on the occurrences of avian flu in various parts of China, including a few confirmed human cases. Any prolonged recurrence of avian flu, SARS or other adverse public health developments in China may have a material adverse effect on the Company's business operations.

These could include the Company's ability to travel or ship its products outside China, as well as temporary closure of its manufacturing facilities. Such closures or travel or shipment restrictions would severely disrupt the Company's business operations and adversely affect its results of operations. The Company has not adopted any written preventive measures or contingency plans to combat any future outbreak of avian flu, SARS or any other epidemic.

5.2.8 Recent PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject the Company's PRC resident shareholders to personal liability and limit the Company's ability to inject capital into its PRC subsidiaries, limit the Company's PRC subsidiaries' ability to distribute profits to the Company, or otherwise adversely affect the Company

In October 2005, the PRC State Administration of Foreign Exchange, or SAFE, issued a circular concerning foreign exchange regulation on investments by PRC residents in China through special purpose companies incorporated overseas. The circular states that, if PRC residents use assets or equity interests in their domestic entities as capital contribution to establish offshore companies or inject assets or equity interests of their PRC entities into offshore companies to raise capital overseas, such PRC residents must register with local SAFE branches with respect to their overseas investments in offshore companies and must also file amendments to their registrations if their offshore companies experience material events, such as changes in share capital, share transfer, mergers and acquisitions, spin-off transactions or use of assets in China to guarantee offshore obligations. The Company has verified that its shareholders who are PRC residents as determined by the relevant branch of SAFE have duly registered with the relevant branch of SAFE with respect to their investments in the Company and the Company's acquisition of their interests in Dongying PV as currently required. The failure or inability of the Company's PRC resident shareholders to comply with the registration procedures set forth therein may subject these PRC resident shareholders to fines and legal sanctions, restrict its cross-border investment activities, or limit the Company's PRC subsidiary' ability to distribute dividends to the Company.

As it is uncertain how SAFE will interpret or implement its circular, the Company cannot predict how this circular and other SAFE circulars will affect its business operations or future strategies. For example, the Company may be subject to more stringent review and approval process with respect to its foreign exchange activities, such as remittance of dividends and foreign currency-denominated borrowings, which may adversely affect the Company's business and prospects.

5.3 Risks relating to the offering

5.3.1 You may experience immediate dilution and may experience further dilution if the Company issues additional Shares in the future

In order to raise capital and expand the business, the Company may consider offering and issuing additional Shares in the future. Purchasers of the Company's Shares may experience dilution in the net tangible assets book value per share of their Shares if the Company issues additional Shares in the future at a price which is lower than the net tangible assets book value per Share.

5.3.2 Risk factors relating to the Ordinary Shares and the market value of Ordinary Shares may fluctuate and may not reflect the underlying value or prospects of the Company

Prospective investors should be aware that the value of an investment in the Company may go down as well as up. The market value of Ordinary Shares can fluctuate and may not always reflect the underlying value or prospects of the Company. A number of factors outside the control of the Company may materially and adversely affect its performance and the price of the Ordinary Shares including the operations and share price performance of other companies in the industries and markets in which the Company operates, speculation about Company' business in the press, media or investment community, and changes to Company' sales or profit expectations or the publication of research reports by analysts in general market conditions.

5.3.3 Future sales or the possibility of future sales of a substantial number of Ordinary Shares by existing shareholders may lead to a decline of the price of the Ordinary Shares

Future sales of Ordinary Shares by existing shareholders could cause a decline in the market price of the Ordinary Shares. The Company cannot predict whether substantial numbers of Ordinary Shares will be sold in the open market. A sale of a substantial number of Ordinary Shares, or the perception that such sales could occur, could materially and adversely affect the market price of the Ordinary Shares and could also impede the ability for the Company to raise capital through the issue of equity securities.

5.3.4 A limited number of shareholders collectively own a substantial percentage of the Ordinary Shares after the Offering, and could significantly influence matters requiring shareholder approval

Certain shareholders currently hold, and may continue to hold after the Offering, and other investors may acquire pursuant to the Offering, a significant part of the Ordinary Shares. These shareholders may, if they act together, exercise significant influence over all corporate matters requiring shareholder approval after the Offering, including the election of Directors and the determination of significant corporate actions. These shareholders may vote their Ordinary Shares in a way with which investors do not agree and this concentration of ownership could adversely affect the trading volume and market price of the Ordinary Shares, so it could be otherwise beneficial to the Shareholders to delay or prevent a change of control.

6. INFORMATION ON THE COMPANY

6.1 History and development

6.1.1 Name

The name of the Company is: CHINA SOLAR PHOTOVOLTAIC SA

6.1.2 Place and number of registration

The Company has been registered in Luxembourg under number B139925 on 15/07/2008

6.1.3 Date of foundation and duration

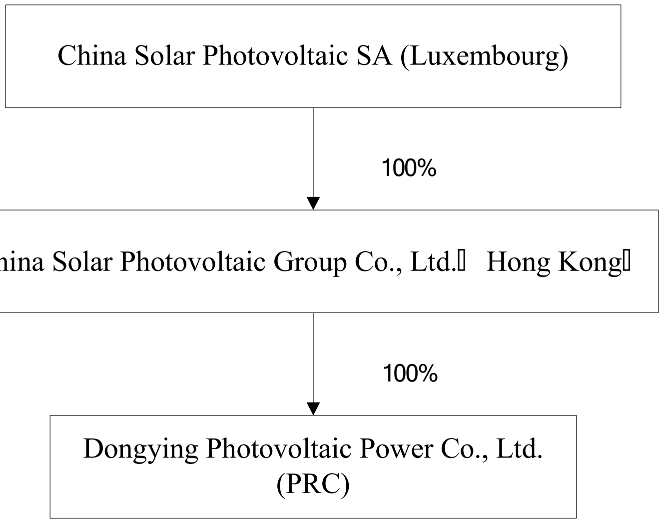
The Company was founded in Luxembourg on 11/07/2008 and established for an unlimited duration.

6.1.4 Registered office, legal status and applicable legislation

Company's registered office: 23, Val Fleuri – L- 1526 Luxembourg.
The Company is a Société Anonyme under the Luxembourg law.

6.1.5 Corporate structure

The diagram below sets for the entities directly and indirectly controlled by the Company after the completion of the restructuring.



The operational business of the Company is exclusively carried out through Dongying Photovoltaic Power Co., Ltd. (“Dongying PV”), a limited liability company incorporated under the laws of PRC in April 2006. Dongying PV was initially formed as a joint venture with 30% shares held by Mr. Miao Changjiang, a Hong Kong citizen, and 70% by a Dongying based company - Dongying Jianxun Gongmao Co., Ltd. In May 2007, a BVI registered company Synergy Investment Group Ltd. (registered on March 30th, 2006) entered into a share purchase agreement with Dongying Jianxun Gongmao Co., Ltd and Mr. Miao Changjiang to purchase all their shares. Such transfer of shares was approved by the competent PRC authorities and became effective on May 25th, 2007. Thereafter, Dongying PV became a wholly owned foreign enterprise and duly registered as such. In Aug 2007, China Solar Photovoltaic Group Ltd., a limited liability company registered under the laws of Hong Kong SAR (“China Solar PV”) on May 17th, 2007, entered into a share purchase agreement with Synergy Investment Group Ltd. to purchase 100% of its shares in Dongying PV. The respective transfer of shares was approved by the competent PRC authorities and became effective on Sept. 18, 2007. Co., Ltd., China Solar PV became the sole shareholder of Dongying PV.

In anticipation of this offering, China Solar Photovoltaic SA was incorporated in Luxembourg on 15 July, 2008 as the listing vehicle. Upon formation of the Company, all shares in China Solar PV were transferred to the Company by means of a share contribution agreement dated 30 July 2008 as contribution in kind for a total value of 7,9 M€ equal to the net consolidated asset value of China Solar Photovoltaic SA at 31/12/2007.

6.1.6 History

The Company is an integrated high-tech enterprise founded in 2006 in Dongying, Shandong Province in China, comprising R&D, manufacture and distribution of series of PV products.

The following are important milestones in the history of the Company’s corporate and operational development.

Apr. 2006	Incorporation of Dongying Photovoltaic Power Co., Ltd.
Jun. 2006	The Company started production on a small scale basis and finished the first order of 60w PV module
Aug 2006	The Company acquired the ISO9001 Certification
Oct. 2006	The Company obtained the RoHS Certification
Nov. 2006	The Company obtained the CE Certification
Dec. 2006	Foundation laying ceremony is held for the Phase II Project
Sep. 2007	The first time that the Company's PV modules were used by German customers.
Dec. 2007	The Company moved its plant to its new premises
Dec., 2007	The Company was awarded as a "Superior Enterprise in respect of labor relationship between employer and employee in Dongying City"
Jan., 2008	The new Phase II production facilities formally commenced operations
Feb., 2008	The Company participated in the Second Global Municipal Photovoltaic Conference
Apr., 2008	The first time that Company delivered PV modules directly to Spanish customers
Apr., 2008	The Company delivered PV modules to Indonesian customers used in the electricity generation system
May 2008	The first time that the Company delivered PV modules to South Korean customers

6.2 Investments

6.2.1 Investments made during the last 3 years

The Company principal investments (on a consolidated basis)

In the last three years, the Company has invested RMB 44 million in buildings, RMB 15 million to install 20 mono-crystalline furnaces, and RMB 20 million to build a PV module production line with an annual production capacity of 56 MW.

6.2.2 Main investments in course

n/a

6.2.3 Future investments of the Company

According to the Company's business plan, several significant investments have been and will be made in 2008. During the first half 2008 the Company has invested in 4 mono crystalline furnaces in an amount of RMB 13 M. This investment will provide the Company with an annual capacity of 140 tons of mono crystalline ingots, equivalent to 18 MW of PV modules.

The Company plans to invest around RMB 30 million to install a PV cell production line with an annual PV cell production capacity of 25 MW. The equipment installation is estimated to be completed in Q3 2008.

Meanwhile, the Company will expand its annual production capacity of PV modules from 56 MW to 156 MW by adding 10 PV module production lines. The investment will cost around RMB 8 million and is estimated being completed in Q3 2008.

After this first phase, the company expects to invest in 4 poly-crystalline furnaces at a cost of RMB 13 million by

Q3 2008. This investment will provide the Company with an annual capacity of 100 tons of poly-crystalline ingots, equivalent to 17 MW of PV modules.

These future investment projects will help the Company partially achieve vertical integration and lower production costs, maximize profit margins, improve operational efficiency, and enhance overall quality control.

7. OVERVIEW OF THE COMPANY’S ACTIVITIES

7.1 Brief introduction to Dongying Photovoltaic Power Co., Ltd.

Dongying Photovoltaic Power Co., Ltd. (hereinafter “the Company”), headquartered in Dongying City, Shandong Province, was incorporated in April 2006 as a joint venture and became a wholly-owned foreign enterprise (“WOFE”) in May 2007 with registered capital of RMB 225 million and paid-up capital of RMB 65.09 million.

The Company is manufacturing and sellingall-series of mono-crystalline and poly-crystalline silicon photovoltaic (“PV”) modules, which are mainly applied to areas including solar street lights, on-grid & off-grid PV power generation systems, and transportation facilities, etc. So far, the Company’s PV products have received the certifications of ISO9001, RoHS, and CE. Both RoHS and CE certifications are used to comply with the requirements of safety health environmental protection as well as other requirements set by European Union. The Company is also expected to pass TüV certification within 2008 and UL certification in 2009, which may help the Company’s products better enter into specific markets in Europe and USA.

At the end of 2007, the production capacity of PV modules was 56MW. Currently, the Company is actively carrying out the construction of its expansion project, namely “poly-crystalline and mono-crystalline silicon ingots” and “solar cells and modules”. After the fund-raising and upon its expansion project completion in December 2008, the Company will basically achieve vertical integration and the annual production capacity will be further enhanced.

7.2 Company features

The Company is currently one of the professional producers of PV products in China. Since the Company commenced business operations in 2006, it has grown rapidly to become one of the important solar modules manufacturers in China. The Company designs, develops, manufactures and markets a variety of solar modules of different sizes consisting of mono or poly crystalline solar cells. It can also provide solar system installation and integration services in China. The Company’s products are used to provide reliable and environmental friendly electricity for residential, industrial, commercial and public utility applications in various markets worldwide, such as Germany, Spain, Korea, as well as China. The Company distributes its products for the export markets primarily through Chinese distributors and domestically primarily to the end users directly.

The Company believes that it has been able to grow rapidly due to its ability to capitalize on the PV market’s increasing demand for high efficiency products at the lowest possible cost per watt. The Company’s strong R&D capabilities have enabled itself to develop advanced process technologies and manufacture, cost-effectively solar modules with high conversion efficiencies. The Company also believes that its design, development and manufacturing facilities based in China provide it with a number of competitive advantages, including access to low-cost technical expertise, labor, equipment, facilities and so on. The Company is able to leverage its cost advantages by optimizing the balance between automation and manual operations in its manufacturing process, which lowers the operation costs and capital expenditures and enables the Company to expand the manufacturing capacities in a cost-effective manner.

The Company increased its manufacturing capacity by over ten times in two years from 5MW at the end of 2006 to 56MW at the end of 2007. The Company also installed its first twenty units of mono-crystalline furnaces in early 2008, which enables the Company to expand its business to the upstream of the industry value chain.

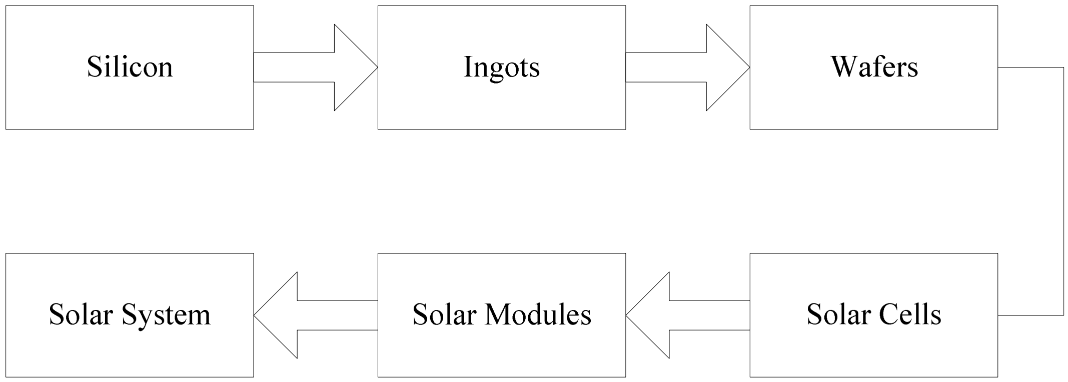
The Company's net revenue increased from 1.73 million Euros in 2006 to 27.43 million Euros in 2007 and is expected to increase to over 100 million Euros at end of 2008. Net profit increased from 0.19 million Euros in 2006 to 3.72 million Euros in 2007 and is expected to exceed 7 million Euros in 2008.

A summary of key financial and operation information is as follows:

	2006	2007
Sales Revenue (M Euro)	1.728	27.435
Net Profit (M Euro)	0.191	3.719
Modules Production Capacity (MW) (End of the Year)	5	56
Modules Sales Volume (MW)	0.67	10

7.2.1 The solar industry value chain

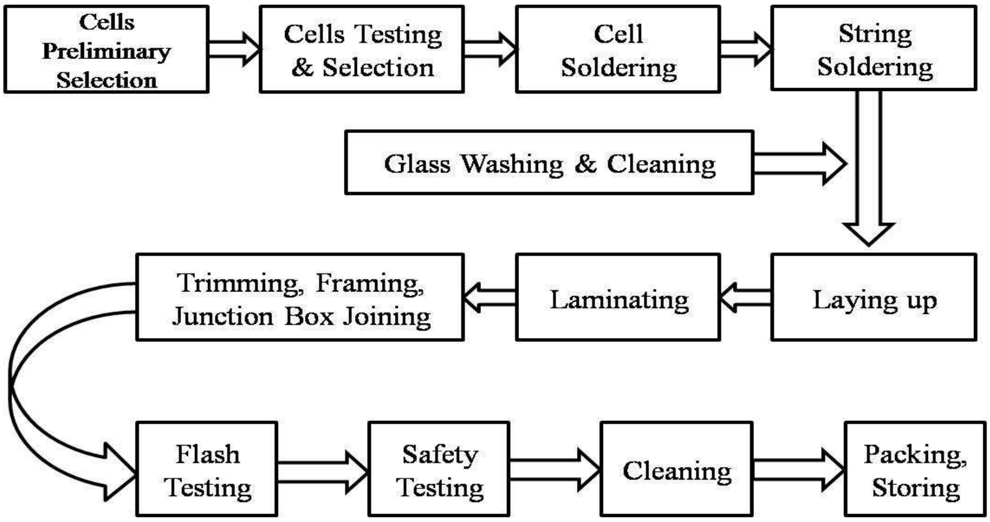
The solar industry value chain begins with processing quartzite sand to produce raw silicon. The raw silicon is then melted and pulled or casted into ingots, which are subsequently cut, shaped and sliced into wafers. Solar cells manufacturers use silicon wafers to make solar cells. Solar cells are interconnected to form solar modules. Solar modules, together with system components such as batteries or power electronics, are distributed by wholesalers and resellers, to installers, system integrators and services providers, to be installed for on-grid and off-grid systems. CNPV is currently buying cells in order to manufacture solar modules. CNPV is stalling and integrating part of these modules as solar systems. In 2008, the Company is integrating vertically the value chain in order to manufacture ingots, wafers and cells.



7.2.2 Solar modules

In the past two years, the Company generated the majority of its revenues from solar modules manufacturing. The Company designs, develops, manufactures and sells solar modules. Solar modules are arrays of interconnected solar cells encased in a weatherproof frame. The Company manufactures standard solar modules, ranging from 160W to 185W in power output, built to general specifications for use in a wide range of residential, commercial, industrial and other solar power generation systems. The Company can also design and produce solar modules based on customers' specifications. The Company's solar modules are sealed, weatherproof and able to withstand high levels of ultraviolet radiation and moisture.

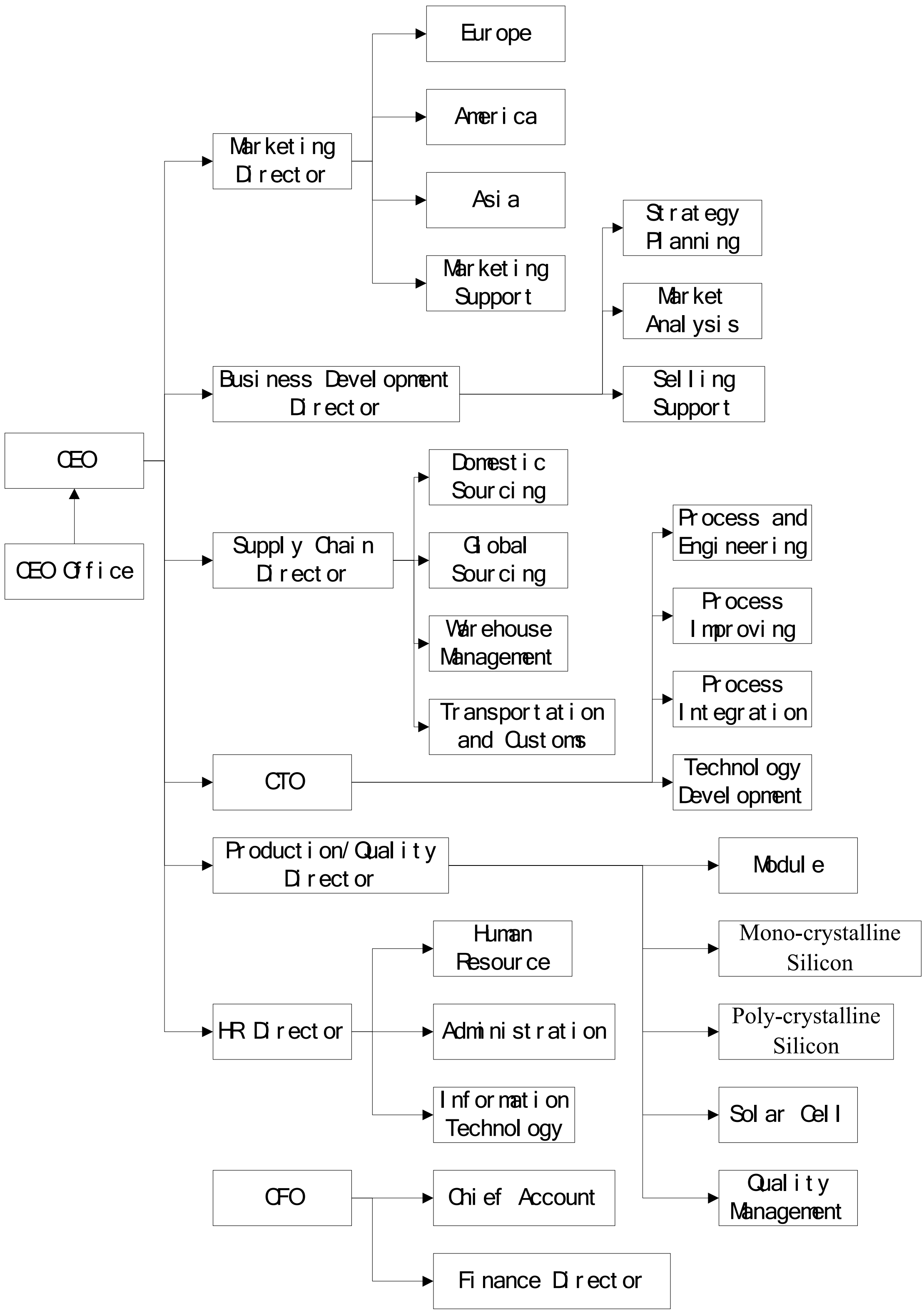
7.2.3 Solar modules manufacturing process



7.2.4 System integration

The Company designs and manages the installation and integration of solar power systems for some solar projects. The Company intends to continue to secure and implement system integration projects for solar power initiatives in China.

7.2.5 Organization structure



7.3 The Company's sales network

7.3.1 Overview

The Company's PV products are sold both in domestic and overseas markets:
Domestic sales, accounting for 30% of 2007 total sales, are conducted through domestic sales operation centers. The domestic markets are primarily Shannxi, Hebei, Shandong, Gansu, Tibet and Beijing. The application areas cover the construction of Demonstration PV Power Plants and the installation of PV modules relating to municipal energy-saving lighting projects, telecommunication, oil and gas pipeline transportation, and defense industry projects, etc. It is expected that domestic sales will be less than 10% of total sales in 2008.
Overseas sales, accounting for 70% of 2007 total sales, are mainly handled by Chinese export agents. The Company started to directly export to overseas markets as from 2008 such as Spain and South Korea.

7.3.2 Sales network

The Company has taken different approaches to manage different markets. Based on the regional characteristics, the Company has divided the markets into overseas market and domestic market.

7.3.2.1 Overseas Markets

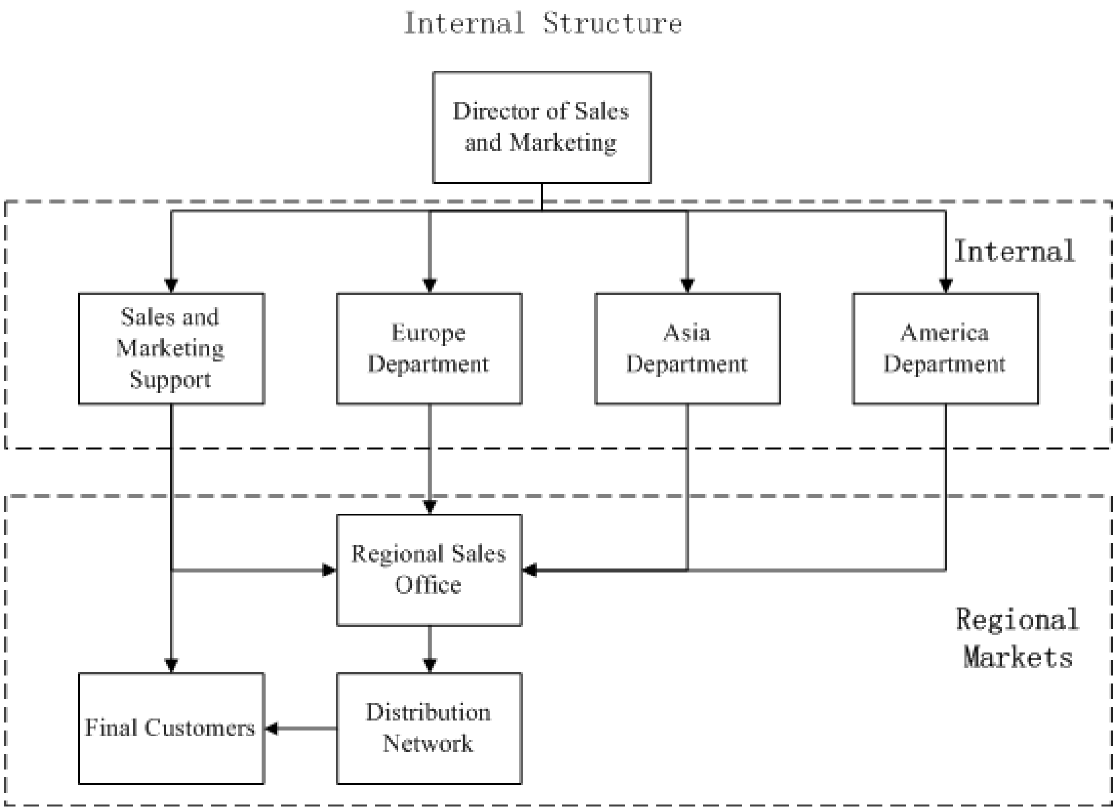
Current key overseas markets refer to economically developed regions such as Germany, Spain, France and South Korea, etc. Due to the various trade-in tariffs and series of subsidies granted by the respective governments, customers and solar power plant installers in these countries have relatively strong green energy and environmental awareness, and thus have higher demand for solar cells and modules accordingly.
Taking into consideration the strong growth of the solar industry and the large market capacity, the Company has planned to set up representative offices in each of the above mentioned countries and distribution centers in other selected major cities overseas within next 2 years. Distributors in these selected countries are responsible for the distribution of PV products to sub-distributors or the potential large solar power plant installers in its coverage areas. Distributors and sub-distributors are responsible for the marketing of the Company's PV products to stores or construction companies.

7.3.2.2 Domestic Markets

Despite of domestic market's relatively small share in total sales volume, the Company still believes in the great potential of the domestic market, considering its possible boom in the near future. In 2007, domestic sales accounted for approximately 30% of total sales volume. For 2008, the Company expects that domestic sales will be further reduced, and will amount to less than 10% of 2008 total sales. The Chinese electricity market is currently subsidized leading to a low cost for traditional electricity. Some shortage of on-grid electricity could on the other hand pave the way to the Chinese solar energy expansion. Considering this great potential of domestic markets, the Company will continue to explore domestic market.
To expand its sales, the Company will set up a number of new domestic sales representative offices in major cities of China, such as Shanghai, Beijing, and Guangzhou etc., in order to capture the upcoming boom of domestic solar market.

7.3.3 The internal structure of marketing department

The sales functions are well organized within the Company and are headed by the Director of Sales and Marketing. The Company has set up the Sales and Marketing Support Department, Europe Department, Asia Department and America Department. America Department is currently engaging in public relation and marketing channel building activities and will commence the direct sales as soon as UL certificate has been granted. The Sales and Marketing Support Department is responsible for the sales and service management, evaluation of each branch's performance, and training. The department is also responsible for the establishment of market development strategies and market competition strategies, as well as training activities at regional sales office level, once they will be created. The other three regional sales departments are divided in accordance with the different geographic regions. They are mainly responsible for achieving their individual sales target and assist in the planning of sales and marketing activities in each region in a timely manner.



7.3.4 Expansion plan of sales network

Establishment of the sales network is expected to help the Company successfully achieve its sales objectives in the future. Currently, sales efforts are primarily based in headquarter located in Dongying City as well as by sales agents in China. The current sales network will be regularly reviewed and improved to accommodate the dynamic changes in market conditions.

The Company plans to expand its distribution network through the establishment of a number of new overseas and domestic representative offices. The first batch of oversea representative offices will be located in Germany, Spain, France, United States as well as South Korea. Domestic representative offices or regional sales centers will firstly be set up in Shanghai, Beijing, Xi'an and Guangzhou. These first-tier major cities in China are believed to have the largest number of active domestic customers.

7.4 Principal customers

Top Ten Sells Contracts Over 2007 (in RMB Yuan)

	Name	Sales (RMB)
1	Qingdao Yuting International Trading Co., Ltd	16,761,420
2	Hebei Zhongshi New Energy Electronics and Equipment Co., Ltd	12,636,936
3	Dezhou Mingxin Science Research Co., Ltd	10,782,080
4	Qingdao Yuting International Trading Co., Ltd	10,000,000
5	Nanjing Kaiyuan System Engineering Co., Ltd	9,921,600
6	Jinan Jiyu International Trading Co., Ltd	9,603,360
7	Baoding Wanhua New Energy Lightening Electronics Co., Ltd	9,600,000
8	Beijing Xingguang Movie & Television Equipment Tech. Co., Ltd	2,504,700
9	Beijing Tianyun Solar Technology Development Co., Ltd	2,273,600
10	Beijing Tianheng Huayi Technology Development Co., Ltd	2,192,832

For 2007, 30% of the total sales results from sales to installers and integrators. 70% are sold to Chinese agents, which export to international markets. The final clients of these agents are primarily from Germany, Spain and South Korea.
The Company's top 10 customers represent over 30% of 2007 total revenues. The origins of CNPV revenues are enough diversified to avoid any dependency toward a single client in particular.

7.5 Principal suppliers

Top Ten Suppliers Contract Over 2007

	Name	Sales (RMB)
1	Hebei JA Solar Co., Ltd	4,123,440
2	Wuxi Suntech Solar Power Co., Ltd	808,423
3	Tianjing Taiyue Glass Co., Ltd	710,477
4	Hangzhou Fusite Co., Ltd	353,740
5	China Sunergy (Nanjing) Solar Co., Ltd	256,788
6	Beijing Yihenghui Technology Development Co., Ltd	249,984
7	Changzhou Trina Solar Co., Ltd	217,536
8	Cixi Renhe Solar Electronics Co., Ltd	197,472
9	Wuxi Xixia Metals Material Co., Ltd	185,138
10	Kunming Sanlite Technology Development Co., Ltd	129,914

To manufacture modules, the Company needs to buy mainly PV cells and glass. The Company is buying cells from major solar cells manufacturers in China. For the moment in 2008, the Company has signed 2 long term agreements for its solar cells supply to secure 8.3MW. After the vertical integration of the PV value chain in December 2008, the Company will also need to buy some silicon. For 2009, 40% of the cell and silicon supplies are secured with well known companies. Half of these supplies are price fixed.

7.6 Key management team

The Company's management team is composed by multi-national senior skilled and highly experienced managers who have a strong background in the PV sector.

Mr. ZHANG Shun Fu, CEO

Mr. Zhang is mainly responsible for the daily operations and management. Over the past 20 years, Mr. Zhang has accumulated extensive experience in energy industry, project operations and corporate management. He has deep insight into the new technologies and changing dynamics of the solar industry. He started working as CEO of Dongying Photovoltaic Co., Ltd. since 2006. From 2001 to 2005, Mr. Zhang worked as Executive Director of Dongying Sheng Tong Telecommunication Co., Ltd. and Board Chairman of the Shengli Project Company Ltd, the second largest oil group in China. From 1993 to 2001, Mr. Zhang was the Deputy General Manager of Shengli Oil Field Sheng Tong Group Ltd. From 1987 to 1992, Mr. Zhang started his career as an Administration Officer in Dongying Government Office.

Mr. Zhang graduated from Shandong Finance and Economics University with a Bachelor of Engineering degree, and obtained his master degree in law at Chinese Academy of Social Science. Mr. Zhang is also a Chinese Senior Economist and senior engineer.

Mr. Sean SHAO, CFO

Mr. Shao was CFO of Trina Solar a renowned NYSE listed solar company. His rich previous experience in financial management includes the role of CFO at ChinaEdu Corporation from 2005 to 2006, CFO at Watchdata Technologies Ltd. from 2004 to 2005, a senior manager at Deloitte Touche Tohmatsu's Beijing Office from 1998 to 2004, and manager at Deloitte's Toronto office from 1994 to 1998.

Mr. Shao received a Master Degree in Health Care Administration from the University of California in Los Angeles and a Bachelor of Art degree from East China Normal University. Mr. Shao is a member of the American Institute of Certified Public Accountants and the Canadian Institute of Certified Public Accountant.

Mr. Massoud JAVIDI, Chief Scientist and Chief Engineer

Mr. Javidi has extensive hands-on experience in Silicon crystal growth process development, manufacturing projects, raw materials improvement, crystal defect reduction, cost reduction and application of quality tools and is an expert in many facets of crystal growth production and R&D.

Mr. Javidi was a Senior Product Engineer in the Global Quality Division at MEMC Electronic Materials Inc. in Missouri, United States from Mar. 2004. He was a Staff Engineer under the Crystal Technology Division from 1997 to Oct. 2001, managing the 300mm Diameter Crystal Growth Process Development Project and an Engineering Specialist under the Manufacturing Crystal Growth Division from Jan. 1994 to 1997 at MEMC Electronic Materials Inc, managing and developing manufacturing strategic material programs from polycrystalline silicon and graphite material. Mr. Javidi was previously a Crystal Growth R&D Manager under Gallium Arsenide Division at Enichem America Inc. in Arizona from Oct. 1989 to Sep. 1992.

Mr. Javidi received his Higher National Diploma in Mechanical Engineering from Oxford Polytechnic in 1979 and then graduated in 1983 with a Bachelor of Science Degree in Metallurgical Quality Control from Brunel University in England. In 1987, Mr. Javidi received his Master Degree in Materials Science from Arizona State University. Mr. Javidi conducted further research on ""Czochralski Silicon Modeling and Simulation" and was awarded a Ph.D.in Materials Science from Washington University in St. Louis in 2006.

Mr. SHI Yu Chuan, Head of Research & Development

Mr. Shi is an expert in the PV industry and a professor and the Director of Solar Energy Research Group of School of Science at Xi'an Jiaotong University from 1993. He was an Associate Professor at the Solar Energy Research Group at Xi'an Jiangtong University from 1985 to 2007.

Mr. Shi has accumulated over 20 years of experiences in R&D on solar photovoltaic products and technologies. Over the past two decades, he has received numerous research grants from various government departments including Shaanxi Bureau of Communications, the Ministry of Science and Technology, Ministry of Agriculture and the National Development and Reform Commission.

Mr. Shi is currently in charge of the Company's Technology Committee, which is mainly responsible for reviewing the new solar technologies and enhancing solar manufacturing skill and so on, together with Chief Scientist and Chief Engineer.

Mr. Kean Mun (Jacky) CHOONG, Director of Sales and Marketing

Mr. Choong is a senior business development executive with more than 10 years of business operational experience. Before joining CNPV, he was the Director of Sales and Marketing and Director of Back Office in

Trina Solar Limited from 2007 to June 2008. Pervious experiences also include the Senior Regional Sales Director of Dell Computer (China) Ltd. from 2004 to 2007 and Senior Regional Sales & Marketing Manager of Tajima Embroidery Machines Ltd. (HK & China) from 2001 to 2004 and Senior Marketing Manager at LKN PRIMEFIELD Ltd. from 1999 to 2001.

Mr. Choong received his Master in Business Administration from the RMIT University of Australia and a Bachelor of Business Administration in Marketing from RMIT University of Australia.

Mr. Yasin OSMAN, Director of Supply Chain

Mr. Osman has a bachelor degree, and three years of working experience in the solar industry. He is mainly responsible for supply sourcing and supply chain management. Before joining CNPV, he was a project development manager with BP Solar, one of the largest worldwide in the solar industry, a subsidiary of British Petroleum. Besides, he also has experience in construction and operation of wind power plants and grid-connected solar power plants.

Mr. Chunhui (George) YANG, Director of Business Development

Mr. Yang was business development manager in Trina Solar Limited from 2006 to June 2008, accounting for sales activities in Asian Region and also global planning. His responsibilities in this well-known solar company include business development with global key accounts and business partners, coordinating with operation team and etc. His pervious working experiences also include the business development manager of Timken (China) Investment Co., Ltd. and Sales Team Leader of A. O. Smith Electric Product (China) Co., Ltd.

Mr. Yang received his Bachelor Degree of Arts from Nanjing Normal University.

7.7 Insurance policy

The Company has duly purchased insurance covering motor vehicle, pension, unemployment and medical insurance for its employees which are mandatory requirements pursuant to PRC laws and government regulations. Besides, the Company is to have property insurance covering certain plants and its key equipment. It will also purchase director and officer liability insurance for its key directors and executive officers. In addition, to provide the customers with more comfort over the quality of its products, the Company is in the process of negotiating with reputable insurance companies about the purchase of product liability insurance.

7.8 Regulation

This section sets forth a summary of some key regulations or requirements that may affect the Company's business activities.

7.8.1 Renewable Energy Law and Other Government Directives

In February 2005, China issued its Renewable Energy Law, which became effective on January 1, 2006. The Renewable Energy Law sets forth policies to encourage the development and use of solar energy and other non-fossil energy. It also authorizes the relevant pricing authorities to set favorable prices for the purchase of surplus electricity generated by solar and other renewable power generation systems.

The law sets forth the national policy to encourage the installation and use of solar energy water-heating systems, solar energy heating and cooling systems, PV systems and other solar energy utilization systems. It also provides financial incentives, such as national funding, preferential loans and tax preferences for the development of renewable energy projects.

In July 2007, The PRC State Electricity Regulatory Commission issued the Supervision Regulation on the Purchase of All Renewable Energy by Power Grid Enterprises which became effective on September 1, 2007. To promote the use of renewable energy for power generation, the regulations require that electricity grid enterprise must in a timely manner set up connections between the grids and renewable power generation systems and purchase all the electricity generated by renewable power generation systems.

On September 4, the National Development and Reform Commission, or NDRC, implemented the National Medium and Long term Programs for Renewable Energy, aiming to raise consumption of electricity from renewable sources to 10% and 15% of total electricity consumption by 2010 and 2020, up from 7.5% in 2005, which highlights the government's long-term commitment to the development of renewable energy.

7.8.2 Environmental Regulations

The Company is subject to a variety of governmental regulations related to environmental protection. The major environmental regulations applicable to it include the Environmental Protection Law of the PRC, the Law of PRC on the Prevention and Control of Water Pollution, Implementation Rules of the Law of PRC on the Prevention and Control of Water Pollution, the Law of PRC on the Prevention and Control of Air Pollution, Implementation Rules of the Law of PRC on the Prevention and Control of Water Pollution, the Law of PRC on the Prevention and Control of Solid Waste Pollution, and the Law of PRC on the Prevention and Control of Noise Pollution.

7.8.3 Restriction on Foreign Ownership

The principal regulation governing foreign ownership of solar businesses in PRC is the Foreign Investment Industrial Guidance Catalogue (effective as of January 1, 2005) The Catalogue classifies the industries into four categories: encouraged, permitted, restricted and prohibited. As confirmed by the government authorities, Dongying Photovoltaic Power Co., Ltd, our operating subsidiary, is engaged in an encouraged industry. It is permitted under the PRC laws to be wholly owned by a foreign company.

7.8.4 Tax

As a WOFE, Dongying Photovoltaic is entitled to favorable income tax policies of "two years exemption and succeeding three years half reduction". In 2006 the Subsidiary is reregistered as a foreign investment enterprise and meanwhile it is a production enterprise in accordance with the PRC income tax legislations so it is entitled to exemptions from PRC income tax for the two years commencing from the first profit-making year of operation it chose which was 2007 and there after it is entitled to a 50% relief from PRC income tax for the next three years. Its applicable tax rate is 24% in the 100% tax exemption periods and 25% starting from the 50% tax exemption periods.

Pursuant to the Provisional Regulation of China on Value Added Tax, all entities and individuals that are engaged in sales of goods, the provision of processing, repairs and replacement services and importation of goods in China are generally required to pay VAT, at a rate of 17% of the gross sales proceeds received, less any deductible VAT already paid by the tax payer. Further, when exporting goods, the exporter is entitled to refund a portion or all of the VAT that has already been paid. Due to the increase in production capacity and a large amount of upfront investments in fix assets, the Company had no enough cash to pay the VAT taxes on its 2006 and 2007 revenues. The tax bureau has granted the Company a 3 month grace period to pay the outstanding VAT of RMB 64 035 056,64. This amount should be covered by deductible VAT taxes (around 60M RMB) incurred on the upcoming expenses.

7.8.5 Foreign Currency Exchange

Foreign currency exchange in China governed by the following rules:

- Foreign Currency Administration Rules (1996), as amended,
- Administration Rules of the Settlement, and Payment of Foreign Exchange (1996)

Under the Foreign Currency Administration Rules, RMB is convertible for current account items, including the distribution of dividends, interest payments, trade and service related foreign exchange transactions. Conversion of RMB for capital account items, such as direct investment, loan, security investment and repatriation of investment, however, is still subject to the approval of, and/or the registration with, the PRC State Administration of Foreign Exchange, or SAFE or its local branches.

Under Administration Rules of the Settlement, and Payment of Foreign Exchange, foreign invested enterprises in China may purchase and/or remit foreign exchange, subject to a cap approved by the SAFE, for settlement of current account transactions without the approval of the SAFE. Foreign exchange transactions under the capital account are still subject to limitations and require approval from, or registration with, the SAFE.

7.8.6 Employment Contract Law

The Employment Contract Law was promulgated by the National People's Congress' Standing Committee on 29 June 2007 and took effect on 1 January 2008. The Employment Contract Law governs labour relations and employment contracts (including the entry into, performance, amendment, termination and determination of employment contracts) between domestic enterprises (including foreign invested companies), individual economic organizations and private non-enterprise units (collectively referred to as the “employers”) and their employees.

The Employment Contract Law supplements the old Labour Law which was promulgated in 1994 (the "Labour Law"). Should there be any inconsistency between the Labour Law and the Employment Contract Law, the latter will prevail. The following highlights the major changes introduced by the new law:-

(a) Execution of employment contracts

Under the Employment Contract Law, an employer is required to execute written employment contracts with its employees within one month from the commencement of employment. In the event of contravention, an employee is entitled to receive double salary for the period during which the employer fails to execute an employment contract. Should an employer fail to execute an employment contract for more the 12 months from the commencement of the employee’s employment, an employment contract would be deemed to have been entered into between the employer and employee for a non-fixed term.

(b) Right to non-fixed term contracts

Under the Employment Contract Law, an employee may request for a non-fixed term contract without an employer's consent to renew. In addition, an employee is also entitled a non-fixed term contract with an employer if he has completed two fixed term employment contracts with such employer; however such employee must not have committed any breach or was subject to any disciplinary actions during his employment. Unless the employee requests to enter into a fixed term contract, an employer who fails to enter into a non-fixed term contract pursuant to the Employment Contract Law is liable to pay the employee double salary from the date the employment contract is renewed.

(c) Compensation for termination or expiry of employment contracts

Under the Employment Contract Law, employees are entitled to compensation upon the termination or expiry of an employment contract. Employees are entitled to compensation even in the event the employer (i) has been declared bankrupt; (ii) has its business license revoked; (iii) has been ordered to cease or withdraw its business; or (iv) has been voluntarily liquidated. Where an employee has been employed for more than one year, the employee will be entitled to such compensation equivalent to one month's salary for every completed year of service. Where an employee has employed for less than one year, such employee will be deemed to have completed one full year of service.

(d) Trade union and collective employment contracts

Under the Employment Contract Law, a trade union may seek arbitration and litigation to resolve any dispute arising from a collective employment contract; provided that such dispute failed to be settled through negotiations. The Employment Contract Law also permits a trade union to enter into a collective employee contract with an employer on behalf of all the employees.

Where a trade union has not been formed, a representative appointed under the recommendation of a high-level trade union may execute the collective employment contract. Within districts below county level, collective employment contracts for industries such as those engaged in construction, mining, food and beverage and those from the service sector, etc., may be executed on behalf of employees by the representatives from the trade union of each respective industry. Alternatively, a district-based collective employment contract may be entered into.

7.8.7 Land

Under the PRC Land Administration Law (中华人民共和国土地管理法) and the Implementation Regulations to the PRC Land Administration Law (中华人民共和国土地管理法实施条例), land in PRC may be owned by the state or owned collectively by a group of individuals. In general, land in urban areas and cities are owned by the state whilst lands in rural and suburban areas are collectively-owned.

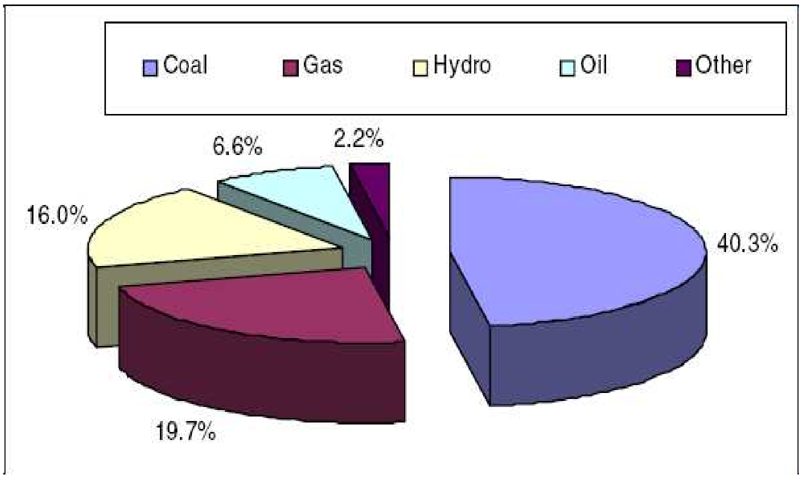
In accordance with the PRC Land Administration Law and the Implementation Regulations to the PRC Land Administration Law, foreign investment enterprises are prohibited from obtaining land use rights or entering into leases in respect of collective-owned land for industrial use. Collectively-owned land is generally not zoned for industrial use by foreign investment enterprises and is required to be converted into state-owned land for such use. Foreign investment enterprises that obtain land use or leasing rights in collective-owned land and who seek to use such land for industrial use are required to sign a grant contract with, and pay a grant fee to, the relevant PRC land bureau.

7.9 Market

7.9.1 Global PV market at a glance

7.9.1.1 Strong demand boosts the development of solar industry

Record oil price exceeding $140 in July 2008 per barrel demonstrates that many countries are still highly vulnerable with respect to its total energy supply. A possible solution is the diversification of energy sources including renewable energies. It is estimated that over two-thirds of electricity generated today from fossil fuels will be fuelled from renewable sources, including geothermal, solar and wind, which currently contributes less than 2.2% of total global electricity. Solar which contributes less than 0.1% of world electricity has significant development potential if pricing in this sector is comparable to other forms of energy on a retail basis.



Total Electricity Production Mix 2005

Source: Credit Suisse estimates

In 2006 PV industry continued its impressive growth, reaching worldwide production volume of 2,520MWp PV module and has grown to a EUR12 billion industry. Annual growth rates over the last five years were on average more than 40%, making PV one of the fastest growing industries at present.

Based on UBS's research report, global demand for solar electricity is to grow from 5GW in 2008 to 22GW by 2012, implying a 46% CAGR. A key driver for this growth is the estimated internal rate of return for solar installations, which is over 10% in countries with feed-in tariffs. While Germany likely remains the largest market and is expected to continue its strong growth as a solar PV market leader, Spain, Italy and France are expected to drive solar growth in the near term. In 2007, the three biggest markets for solar – Germany, Spain, and the US – accounted for 70% of the total global demand for solar PV. By 2012, it is estimated that these markets will account for 50% of total global PV demand. However, countries such as Greece, France, Italy, Canada, and Korea, and other non OECD countries grow their PV markets at CAGRs exceeding 100%.

The fastest growing markets for solar PV over the next three years are expected to be Spain (CAGR 105%), France (CAGR 141%), Italy (CAGR 126%), Portugal (CAGR 122%), Greece (CAGR 116%), and South Korea (CAGR 106%). These countries should grow to represent 41% in 2012 of the global solar PV market compared with just 29% in 2007.

	2007E	2008E	2009E	2010E	2011E	2012E
Total Solar Demand (in GW)	3.4	4.8	7.0	10.0	15.1	22.5

Global Solar Demand (GW)

Source: UBS estimates

	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Total Solar PV demand	1470	1977	3373	4848	6970	10075	15124	22525
yoy	34.0%	34.5%	70.6%	43.7%	43.8%	44.5%	50.1%	48.9%
Germany	837	1150	1587	2071	2690	3464	4376	5355
yoy	45.0%	37.4%	38.0%	30.5%	29.9%	28.8%	26.3%	22.4%
France	6	14	31	94	309	436	664	1087
yoy		133.3%	123.0%	201.4%	228.5%	41.0%	52.5%	63.6%
Italy	7	20	42	92	208	491	1201	2998
yoy		185.7%	111.7%	117.1%	125.8%	136.6%	144.5%	149.7%
Spain	35	110	838	1293	1512	1940	2649	3767
yoy		214.3%	661.7%	54.3%	16.9%	28.3%	36.5%	42.2%
Greece	1	2	48	99	213	483	640	882
yoy		100.0%	2297.0%	105.5%	116.5%	126.3%	32.6%	37.8%
Portugal	0.6	12	24	49	109	259	355	511
yoy		1900.0%	96.6%	106.1%	123.8%	137.8%	37.3%	43.9%
ROE	39	41	49	77	87	113	28	20
yoy		5.1%	17.9%	58.1%	12.2%	30.9%	-75.3%	-29.6%
US	105	141	217	349	681	1389	2889	4533
yoy		34.0%	54.3%	60.5%	95.2%	104.0%	108.1%	56.9%
Canada	4	7	14	29	81	230	688	1021
yoy		94.2%	94.2%	109.1%	177.7%	185.6%	199.0%	48.3%
China	15	10	40	35	52	55	55	55
yoy		-33.3%	297.4%	-11.0%	46.7%	5.5%	0.1%	0.2%
Australia	8	9	16	20	29	42	100	196
yoy		12.5%	77.6%	24.3%	48.1%	42.2%	139.3%	96.0%
Japan	292	299	362	475	627	661	671	674
yoy		2.4%	21.1%	31.3%	32.0%	5.4%	1.4%	0.4%
Korea	5	22	49	116	296	425	727	1351
yoy		336.2%	124.1%	137.6%	154.8%	43.7%	71.0%	85.8%
ROW	105	130	52	45	70	78	69	65
yoy		23.2%	-60.3%	-13.2%	56.2%	12.0%	-12.4%	-5.2%

Global Solar Demand (in MW)

Source: UBS estimates

7.9.1.2 Government incentives still play the key role

Regulatory environment is likely to continue affecting global demand. Government incentives are the key drivers of demand for solar in the current environment, in which solar electricity costs are uncompetitive with grid electricity. Incentives can take many forms, such as direct capital subsidies, tax credits, and feed-in-tariffs, among many others.

	Enhanced feed-in tariffs	Direct capital subsidies	Green electricity schemes	Renewable portfolio standards	Tax credits	Sustainable building requirements
Target audience	Grid connected PV customers with business cash flow requirements eg housing developers, investors, commercial entities	PV customers with limited access to capital eg households, small businesses, public organizations	Residential and commercial electricity customers	Liable parties, typically the electricity retailing businesses	Any entity with a tax liability such as salary earners and businesses. However, may not be relevant to many prime candidates for PV	New building developments (residential and commercial); properties for sale
Countries using this measure	Austria, Canada, Switzerland, France, Germany, Italy, Korea, Spain, USA	Australia, Austria, Denmark, France, Germany, Japan, Korea, The Netherlands, Spain, Sweden, Switzerland, UK	Australia, Austria, Canada, Denmark, Germany, Japan, The Netherlands, Switzerland, USA, UK	Australia, Japan, Sweden, USA, UK	Canada, Switzerland, France, Japan, The Netherlands, Sweden, USA, UK	Australia, Canada, Switzerland, Germany, Spain, Korea, The Netherlands, USA
Implementation	Typically administered by the electricity industry billing entity	Requires considerable public administrative support to handle applications, approvals, and disbursements	Commercial business operation of the electricity utility, some public administrative support for accreditation	Public administrative support via a regulatory body	Administered by existing taxation body	Typically administered by the local building consent authority
Economic and political considerations	Method of internalizing the externalities associated with traditional energy supply	Up-front capital cost is seen as the main economic barrier to the deployment of PV	Government involvement in selective, customer driven, electricity business commercial activity raises some interesting questions	Can be seen as a distortion in the functioning of the electricity market	Same benefits as direct capital subsidies but without some of the negatives	Appeal largely depends upon the degree to which the property prices are impacted and the cultural acceptance of prescriptive approaches

Solar Incentive Schemes

Source: IEA

7.9.1.3 Rising price and short supply of silicon material will be a challenge in 08 and 09

From the supply side, polysilicon supply, as regarded as a bottleneck of PV industry, is likely to be eased after 2010 since emerging polysilicon suppliers as well as the expansion of current suppliers will likely have volume production. However, a structural oversupply scenario is not expected after 2010. It has been shown that polysilicon spot prices are up 10% to around $400 per kg in 1H08 compared with 2H07 while new contract polysilicon prices will likely to be further up 5-10% in the next few months.

UBS estimates that polysilicon will see increased supplies in 2H10 and 2011, causing a price decline, enabling solar module ASPs to decline as players across the solar value chain reduce their costs and lower ASPs to capture market share. As polysilicon prices decline, it is estimated that this will enable module prices to drop to about $2.72 per watt. Solar electricity will then reach grid parity in regions with high electricity rates and high solar irradiance, accelerating solar demand in 2011 and 2012.

	2007E	2008E	2009E	2010E	2011E	2012E
Polysilicon Deficit and (Surplus)	16,282	17,024	8,918	(2,562)	(1,233)	2,439

Estimated Polysilicon Deficit and (Surplus), in metric tons

Source: UBS estimates

7.9.1.4 Thin film will take more important position

As for the technology, in 2006, polycrystalline silicon cells and mono-crystalline silicon cells accounted for 46.5% and 43.4% of total industry market respectively. Thin films technology based cells accounted for 10.1% of total market and will be expected to increase further under the situation of short polysilicon raw materials supply. Currently, it grows faster than the overall PV market and this trend will continue in 2008. Compared to 2005, thin film shipments increased by around 80% to 196 MW in 2006 and global aggregate production capacity is expected to reach 6GW in 2010.

7.9.1.5 Value in solar chain appears upstream

Polysilicon companies currently have the most power in the solar chain, as evidenced by high 40-60% gross margin rates. It is estimated that the polysilicon companies that have developed a lower cost and more advanced production technology can better sustain gross margins. Lower cost competitors will likely make solar wafers, cells, and modules more cheaply on a longer term basis. Given this scenario, scale is regarded as a key advantage on a longer term basis. Those companies that are more vertically integrated and located in lower costs regions will benefit a decisive competitive advantage.

Companies at different positions of solar industry chain and estimated cost and margin

	Polysilicon	Ingots/Wafers	Solar Cells	Solar Modules	Installers
Cost/Watt	$1/watt	$1.24/watt	$2.17/watt	$3.37/watt	$7/watt
Gross Margins	40%-60%	24%-32%	20%-25%	10%-15%	5%-15%
	Hemlock Wacker REC MEMC Tokuyama	LDK REC Green Energy Yingli Deutsche Solar MEMC M-Setek PV Crystalox Renesola SAS	Sharp Q-Cells Suntech Power Kyocera Motech Sanyo Solarworld Yingli China Sunergy SunPower REC JA Solar BP Solar Evergreen Solar Trina Solar	Suntech Power Sanyo Kyocera Sharp Yingli Green Energy Canadian Solar Soarfun Trina Solon REC Isofoton BP Solar Solarworld Ssunpower Evergreen Ersol Schott Solar Aleo Solar Solar Fabrik Conergy	SunPower Borrego Solar REC Solar Akeena Solar Dependable Solar GroSolar Conergy 1 Star Energy Hoku REC Donauer Solartechnik IBC Solar Ibersolar Energia MHH Solartechnik Phaesun Phonix Sonnenstrom Solarstocc SunTechnics Duetsche Solar Krannich Solar First Solar Solon Solaria Yingli Green Energy Moser Baer

7.9.1.6 Reaching grid parity to be expected in 2015

UBS estimates that, on average, total costs for a fully installed solar system today are around $7.00 per watt, which corresponds to solar electricity rates of $0.67 per kilowatt hour (kWh) in areas of low sunlight (solar irradiance of 900 kWh/yr) and $0.35 per kWh in areas of high sunlight (1800 kWh). It is estimated that sunny regions such as Italy and California will be the first to reach parity with grid electricity rates as early as 2011, given increasing traditional electricity rates. The rest of the world will reach grid parity, in aggregate, by 2015.

	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
Solar Electricity Rates in Sunny Regions	$0.35	$0.33	$0.30	$0.28	$0.27	$0.26	$0.25	$0.24	$0.23
Aggregated Global Traditional Electricity Rates	$0.13	$0.14	$0.15	$0.16	$0.17	$0.19	$0.21	$0.23	$0.25

Solar Electricity Rates vs Grid Electricity Rates (per kilowatt hour)

Source: UBS estimates

Therefore, it is expected that strong global demand, together with significant cost reductions and technology advancement should drive solar PV to grid parity within the next 5 years.

7.9.2 China's PV Market Status

7.9.2.1 China becomes the world's 2nd largest PV production base

Since 2004, the development pace of Chinese companies in the PV industry is amazing. In less than two years, nine PV players from China have become publicly listed on overseas stock exchanges. The level of PV production capacity has sky-rocketed. For 2006, China's total PV module production reached 369.5MW, becoming the world's 3rd largest PV module producer, right after Germany and Japan. Majority of modules produced are exported. In 2007, the production capacity and output volume of the PV cells and modules producers in China have both surpassed Europe and the US. China has become the world's second largest PV production base behind Japan.

7.9.2.2 Domestic installation is insignificant left with huge market potential

However, according to the preliminary statistics of China Renewable Energy Development Project Office of the National Development and Reform Commission, the domestic installation volume of PV systems was merely 20MW in 2007 (equivalent to 0.5% of global installation volume in the same year), despite that China's domestic output volume of PV cells reached 1000MW in 2007; and the accumulated installation volume of PV systems in China as of the end of 2007 was 100MW (equivalent to 0.8% of global accumulated installation volume). There is huge potential in the PV industry in China considering its vast electricity market and massive demand for energy and power.

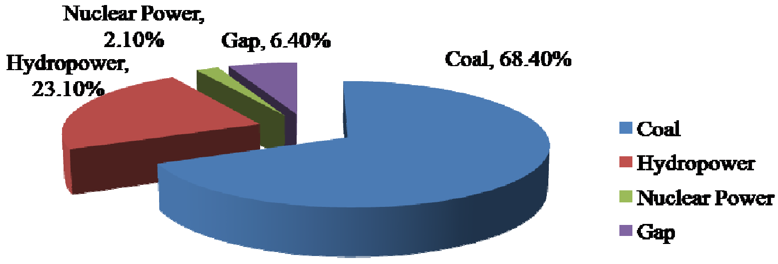
China Photovoltaic Market Breakdown

Application Area	Accumulated Capacity (MW)	Market Share (%)
Rural area electrisation (including road lighting)	41	41
Telecommunication and industrial application	30	30
Photovoltaic products (road and lawn lamps, urban landscaping, LED lighting, traffic signals, etc)	22.7	22.7
On-grid electricity generation	6.3	6.3
Total	100	100

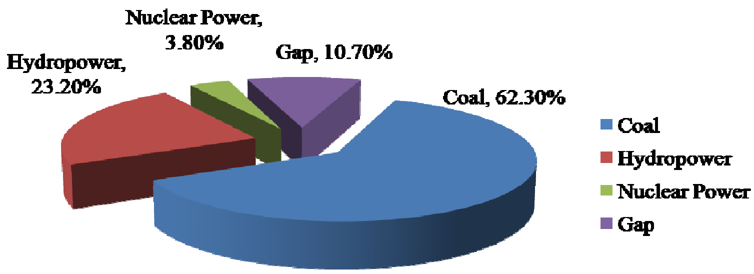
Source: Preliminary statistics until 2007 by China Renewable Energy Development Project Office

7.9.2.3 Huge demand for solar energy due to shortage of conventional energies

According to the research report of China Electric Power Research Institute, despite of the full pace development of coal power, hydropower and nuclear power, the gap between electricity supply and demand is estimated at 6.40% and 10.70% respectively in 2010 and 2020, which undoubtedly needs to be filled by the renewable energy. (Source: 2007 China Solar PV Development Report)



The Year of 2010



The Year of 2020

7.9.2.4 Government policies accelerate the domestic solar industry

The main government policy frameworks that can be relied upon to facilitate the development of photovoltaic industry includes the *Renewable Energy Law* that came into effect in 2006, the *Eleventh Five-year Plan* as well as the *Medium and Long term Renewable Energy Development Plan*.

As per the *Medium and Long term Renewable Energy Development Plan* issued in Aug 2007, the renewable energy will account for 10% of China's energy consumption in 2010 with cumulative installed capacity of 300 MW, and accounting for 15% in 2020 with total PV installed capacity of 1,800 MW. Compared with the 70 MW in 2005, the CAGR may reach 24% for the next 13 years. For the medium or large cities, 1,000 roof mounted PV projects will be constructed by 2010 with total capacities of 500MW, and 20,000 projects by 2020 with total capacities of 1GW.

For the 2008 Olympic Games in Beijing, a concept of Green Olympic has been developed, in line with the idea of sustainable development. A PV related project intends to construct a 30KWp grid-connected pilot plant and 80%-90% of street lights in Olympic Village will be solar powered. This historical event will further promote and accelerate the implementation of solar PV in China.

7.10 Strategy

The Company seeks to become one of the leading manufacturers of PV products in both domestic and overseas markets, and leverage the strengths to become a key player in the downstream PV market. To achieve these goals, it plans to implement the following strategies.

7.10.1 Complete vertical integration to support its long-term growth and sustainability

The construction of the vertically integrated model begins in H2 2008, and it will take one to two years to make it fully operational. The overall in-house production capacity will be significantly enhanced. The Company believes that such integrated model shall allow the Company to have better quality control over the entire production process, achieve significant cost savings, improve PV module conversion efficiency, minimize the exposures to the potential market fluctuation risks, primarily from price and supply side constraints, and optimize the Company's technical management and logistic efficiency.

7.10.2 Continue to expand manufacturing capacity with mono-crystalline solar cell and modules as a focus

The Company intends to increase its manufacturing capacity to meet market demand and achieve economy of scale. The module production capacity was 56MW at 2007 and will be increased to 156MW and 200 MW by the end of 2008 and 2009 respectively.

For mono-crystalline solar cells and modules, the Company plans to accelerate the development of mono-crystalline solar cells to enhance product mix. It will take advantage of mono -crystalline solar cells' visible cost competitiveness in terms of savings in raw material and energy consumption, particularly in face of the current surging price and supply shortfall of poly-silicon.

Whereas for poly-crystalline silicon PV modules, the Company will gradually develop its production capacity to meet the demand of existing customers and generate stable revenue and cash flow.

7.10.3 Diversify its geographical presence and customer base

In order to continue growing the overall sales and reduce the reliance on any particular geographic market, the Company intends to broaden its distribution networks globally and further diversify its customer base with a clear focus on the European market. While Germany is expected to remain a major market for the Company, it has already taken initiatives to enter into other solar markets, such as Spain, Italy, France, South Korea, etc. The near-term plan is to set up overseas representative offices in Germany, France, Spain, US and Peru to coordinate marketing activities and after-sales services in the designated markets. Besides, global solar exhibitions and seminars also constitute a good platform to strengthen the Company's presence and enhance the "CNPV" brand recognition on the international stage.

7.10.4 Develop thin-film based cell technology and production

The pilot production of thin-film based cell will be commenced in late 2009, with initially designed annual production capacity of 5 MW. Compared with conventional crystalline based PV cell, the attractive gross margin from thin-film based cells shall help it to sustain long-term earning ability. To maintain the Company's technical competitiveness, the R&D team keeps pace with the development trend of thin film technology or other new emerging technologies.

It is noticed that the higher costs of solar power remain the long-term challenge compared to conventional sources of electricity such as fossil fuel. When the cost of electricity generated from solar power approaches the cost of electricity purchased from conventional sources of power, solar power will become more attractive to the end consumers. Therefore, the Company's long term strategy is to further reduce the overall cell production costs and intends to achieve the long-term grid parity envisaged in the solar power industry.

7.10.5 Target the emerging solar markets such as in China and India

The Company believes that the solar energy markets in China and India have great potential in response to likely future legislative and policy changes encouraging and supporting the development of renewable energy sources. The Company intends to actively pursue opportunities in the system integration market segment in these emerging markets when these markets become more developed. The Company believes that its expertise in solar power system integration as well as the in-depth knowledge of the local market will equip the Company with clear competitive advantage to capture growth opportunities presented in these markets.

7.11 Strengths and Competitive Advantages

7.11.1 Research and development capabilities

The Company is a high-tech enterprise in Shandong Province. Since its inception, it has adopted a systematic approach to the R&D activities that are aimed at achieving both near-term manufacturing process advancement and technical breakthroughs in the long run by leveraging on collaborations with third parties as well as exploration and development of internal resources.

The Company intends to conduct further developments in thin films commencing from 2009 as well as industrial applications and association with other energies like wind. These R&D activities are currently under investigation with identified partners such as external research institutions and companies.

Collaborations with Leading Research Institutions the Company has entered into an agreement with Shandong University of Technology to build the Institute for Solar PV Application. The ongoing project is Shengli Oil Field Long-Distance Pipeline Cathodic Protection Project. Besides, it has also built up strategic cooperation with the Solar Energy Institute of Xi'an Jiaotong University, one of the leading universities in China specialized in science and engineering studies. The Company is also studying the opportunity of setting up a solar-wind power plant. These initiatives will help the Company to design technical improvement and will considerably push forward its technical capabilities in the future.

Internal R&D Capabilities

The R&D team is led by three well-recognized industrial experts, including Massoud Javidi. The Company has applied for the protection of intellectual property rights for a number of innovations from the State Intellectual Property Office of the People's Republic of China.

The major research areas include

1) Vertical integration of value chain

2) Improvement of cell conversion efficiency, reduction in wafer thickness, and enhancement in the size of wafers and modules

3) Tracking and monitoring the development of thin film technology and other new emerging technologies

4) Participation in the setting and formation of domestic PV industrial standards

5) Research and development on solar-wind hybrid power and its application on real project.

7.11.2 Vertically integrated business model

It is expected that upon the completion of the Phase II Project, except for the manufacturing of poly-silicon feedstock, which the Company does not intend to step into in the short run, the Company will possess a nearly complete industry value chain from the production of silicon ingots to solar modules with considerably higher overall matching production capacity. Compared with other manufacturers who are merely engaged in certain stages of the value chain, such integrated model provides the Company with following advantages:

Improvement of overall profitability: the completion of such integrated model enables the Company to participate and generate profit at nearly all stages of the PV value chain through conducting production of ingots, cells and modules in-house. The Company will be better positioned in the market as it enables to design and control more steps in the manufacturing process and reduce costs associated with sourcing from third party suppliers.

Realizing better quality control, higher efficiency and cost advantages the integrated model allows the Company to closely monitor the quality of PV products with reduced dependence on the quality assurance from third parties. It also offers the Company an ideal platform to streamline in-house manufacturing processes and lower overall production costs through elimination of those incurred in the logistic, storage and testing phases. Moreover, the approach helps the Company to improve production efficiency, increase production yield and shorten the lead time associated with external sourcing and procurement

It is noted that a few of the Company's peers in the industry, such as Trina Solar and Yingli Green Energy have achieved or intend to build the same integrated model. However, the Company's model may differentiate itself from that of existing players in following aspects:

The whole process will be completed and integrated in the same factory under uniformed quality control standards and a single management system,

The various sectors are designed with matching production capacities, helping the Company lessen the impact of external supply side constraints and further reduce production costs.

7.11.3 Diversified Product Mix

Based on industry research in 2006, poly-crystalline silicon cells, mono-crystalline silicon cells and thin film based cells accounted for 46.5%, 43.4%, and 10.1% of total industry market respectively. The 2008 Company's product portfolio will include mono-crystalline and poly-crystalline modules and ingots. The ongoing project includes mono and poly crystalline solar cell production line. In 2009, a 5-10MW thin film production line will be added into the Company's production capacity. Such diversified product mix will better position the Company in the market, and reduce risk of exposure to supply or demand side constraints of certain types of product.

7.11.4 Low cost operation through efficient utilization of manufacturing resources in China

The Company's operations are exclusively based in China, which enables it to enjoy cost advantages over manufacturers operating in the more developed countries and higher cost environment, such as Europe, Japan and U.S. The Company will take advantage of the low labor costs, abundant and quality labor force as well as other savings provided by China's relatively low-cost production environment, such as lower priced domestically built production equipment with comparable quality to the imported counterparts.

7.11.5 Established Customer and Supplier Relationships

The Company's PV products are sold both in domestic and overseas markets.

It has established business relationships with a number of PV wholesalers and system integrators and installers in major international markets, including Germany, Spain, and South Korea.

The domestic markets are primarily Shannxi, Hebei, Shandong, Gansu, Tibet and Beijing. The application areas cover the construction of demonstration PV power plants and the installation of PV modules relating to municipal energy-saving lighting projects, telecommunication, oil and gas pipeline transportation projects, etc. The Company's presence in these product application areas enables it to establish a wide customer base in

China and also paves the way for future development of relationship with customers and suppliers.

The Company actively manages supply of poly-silicon and solar cells from various sources, including overseas poly-silicon manufacturers and also overseas and domestic distributors. It enables the Company to secure the supply of raw materials and mitigate the effects of current poly-silicon and solar cell supply shortfall in the market. The procurement personnel's frequent visits to Europe also help the Company become more responsive and enable more efficient communication with its suppliers in the region.

7.11.6 Favorable Geographic Location

The Company's operating subsidiary is located in Dongying, Shandong Province, a plain terrain area with abundant sunshine. Total solar irradiance is in excess of 5.86 x 103 MJ/m^2 per year. The locality's physical environment is also ideal to construct megawatt scale solar power plants.

Dongying is at the joint of Jiqing and Dongqing Highways and adjacent to Bohai Bay and Qingdao Port. It is also in close proximity to the Shengli oil field, the second largest oil field in China. There is good potential for CNPV to participate in the oil field long-distance pipeline photovoltaic cathodic protection project.

Dongying is a promising city with rapid economic development. Its numerous municipal infrastructure projects currently carried out or planned for urban upgrade provide significant market potential for the deployment and application of photovoltaic technology and products.

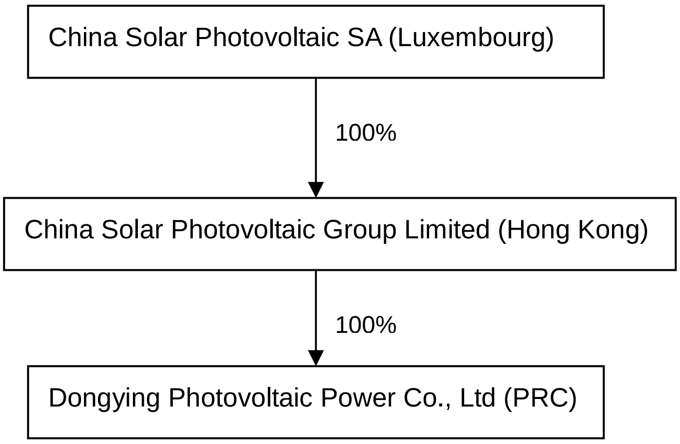
Overall, CNPV's location has been important in building and maintaining relationships with both suppliers and customers. Additionally, Shandong Province has good roads, air and port infrastructures allowing easy access to both domestic and export markets.

7.11.7 Highly Dedicated and Reputable Management Team

The senior management team has developed a deep understanding of the major aspects of procurement, marketing and production of PV products in China. The team is well balanced with proven technology and operational experience and extensive contact and network throughout the PV industry, which provides the Company with strong competitive advantages in the fast growing PV industry. Chief executive officer, Mr. Zhang Shun Fu, has rich experience in energy industry and corporate management, with in-depth insight over the changing dynamics of solar industry. Mr. Sean Shao, CFO previously CFO of a leading solar company in China, has over 10 years of rich working experience at Deloitte Touche Tohmatsu. His joining greatly strengthens the Company's financial management. Besides, Mr. Kean Mun Choong joins the Company as the Director of Sales and Marketing. Before joining the Company, he was the Director of Sales and Marketing and Director of Back Office at Trina Solar. Mr Choong's extensive networks in solar industry significantly enhance the Company's procurement and marketing capabilities. From the technology perspective, Mr. Shi Yu Chuan, the Head of Technology Committee, has many years of experience in technical innovation. Mr. Massoud Javidi, the chief scientist and chief engineer of the Company, was previously a senior product engineer at MEMC Electronic Materials Inc, and is renowned for his extensive knowledge in solar technologies and broad networks in the industry. Mr. Qian Qiming, the Director of Human Resource, was previously the Director of Human Resource at Trina Solar, and is now mainly responsible for the Company's recruitment and HR management. Mr. Yasin Osman, director of supply chain, former project development manager at BP Solar, China Xinjiang Sun Oasis, is also very experienced in the construction and operation of grid-connected solar power plants.

8. ORGANIZATION STRUCTURE

8.1 Corporate structure



8.2 Details of holdings and subsidiaries

Type	Name	Incorporation	Register number	Capital	Location	Legal representative	Shareholders
SA	China Solar Photovoltaic SA	15/07/2008	B139925	466.000 €	Luxembourg	Board of Directors	*Cf.* Chap 19
Limited	China Solar Photovoltaic Group Ltd.	17/05/2007	1133388	HK$10.000	Hong-Kong	Mr. An Quan Wang (Authorized person)	100% China Solar Photovoltaic SA
Limited	Donggying Photovoltaic Power Co., Ltd	21/04/2006	0404141	RMB 225.000.000	PRC	Mr. An Quan Wang	100% China Solar Photovoltaic Group Ltd

8.3 Details of the group governance

China Solar Photovoltaic S.A. (Luxembourg)

Board of Directors:

Mr. Shun Fu ZHANG, Chairman,
Ms.Chris Lu LI, Director,
Mr. Christophe BLONDEAU, non executive Director

China Solar Photovoltaic Group Limited (Hong-Kong)

Directors:

Mr. An Quan,WANG Chairman
Mr. Shun Fu ZHANG, Director
Mr. Si Xing FU, Director
Mr. Qianping HUANG, Director
Mr. Yu Chuan SHI, Director

Dongying Photovoltaic Power Co., Ltd (PRC)

Directors:

Mr. An Quan WANG, Chairman
Mr. Shun Fu ZHANG, Général Manager & Director
Mr. Li HOA, Director
Mr. Lv PENG, Director
Ms. Yang FAN, Director
Ms. Lu LI, chairman of Supervisor Board
Mr. Wang DONG, Supervisor Board Member
Ms. Shi XUEGIN, Supervisor Board Member

9. REAL ESTATE PROPERTY, FACTORIES AND EQUIPMENT

9.1 Significant existing or planned property, plant and equipment and major related expenses

The Company stands on a land of 67,275 m^2. The state-owned land use rights are conceded to “Dongying Photovoltaic Power Co. Ltd.” for 50 years. Close by this land, the Company has been granted by the State additional land use rights of 45 242m2 for further developments (if needed).
There are various buildings with an area of 30,300 m2, among which, 2,000 m2 are warehouses for storage, 4,800 m2 for office use, and 23,500 m2 for workshops. For 4 300 m2 (offices and workshop), the Company signed a lease ending in 2010.
The Company has spent RMB 15 million to install 20 mono-crystalline furnaces, and RMB 20 million to build a PV module production line with an annual production capacity of 56 MW.

RMB: Yuan

Name of Subject	Adjusted Book Value	
	Original Value	Net Value
Buildings	44,342,661	44,342,661
Equipment	38,764,930	36,952,915
Constructing Project	837,438	837,438
Total Tangible Assets	83,945,029	82,133,014

(As of December 31, 2007)

9.2 Environmental matters which could influence the company’s use of its property, plant and equipment

According to a Testimonial issued by the Environment Protection Bureau of Dongying City, up to the date of issuance of this report, CNPV has since its establishment abiding by the PRC laws and regulations on environmental protection and the standard for environment protection set by the state in its production and business operation. CNPV has never been punished for breaching of laws and regulations on environmental protection.

10. EXAMINATION OF THE FINANCIAL SITUATION AND RESULTS

10.1 Presentation of the financial statements for the fiscal years ended December 31, 2006 and 2007

10.1.1 Overview

China Solar Photovoltaic SA was established on 11th july 2008 as a purpose vehicle for the admission of China Solar Photovoltaic Group Ltd (the "Company") on Alternext as described in paragraph 6.1.5 as mentioned previously in chapter 6 the Company was established on 17/5/2007 and took over on September 2007 100% of the share capital of Dongying Photovoltaic Power Co, Ltd (the subsidiary) the operating company in PRC, for a consideration of RMB 20.000.000. At the same time the Company increased the registered capital of the subsidiary from RMB 20.000.000 to RMB 225.000.000.

10.1.2 Consolidated profit and loss accounts on a pro forma basis

	Notes	**2007** **€**	**2006** **€**
Revenue	5	27,434,521	1,727,843
Cost of sales		(22,873,331)	(1,237,709)
Gross profit		4,561,190	490,134
Other operating income	6	32,397	19,954
Selling and distribution expenses		(50,460)	(7,331)
Administrative expenses		(880,942)	(244,522)
Profit from operations		3,662,185	258,235
Finance costs	9	(46,990)	(16,546)
Profit before income tax		3,615,195	241,689
Income tax (expense)/benefit	10	103,936	(50,595)
Net profit for the year		3,719,131	191,094

10.1.3 Presentation of operating costs

Cost of sales

The cost of sales corresponds to the industrial costs of products sold in 2007. They are mainly:

% of total cost of sales

- Raw material (PV cells): 90%
- Energy (electricity and gas): 0.01%
- Other material: 8.46%
- Depreciation of equipments: 0.61%
- Labor cost: 0.35%

The gross profit margin for fiscal year 2007 is 16.63%.

Selling and distribution expenses

The selling and distribution expenses represent 0.2% of the total revenues of the Company in 2007.

They are mainly transport costs on sales (23%), advertisement expense (23%), and salaries (19%).

Administrative expenses

In 2007, the Company totally incurred administrative expenses of € 880,942. This amount represents 3.3% of the total revenues of the Company.

They are mainly allowance for doubtful receivables (47%), office incidental expenses (7.7%), and salaries (7.1%).

10.1.4 Critical accounting principles in IFRS

Significant accounting policies

Functional and presentation currency

The functional currency of the Group is Renminbi ("RMB"). As sales and purchases are denominated primarily in RMB and receipts from operations are usually retained in RMB, the directors are of the opinion that RMB reflects the economic substance of the underlying events and circumstances relevant to the Group.

Functional and presentation currency

Monetary assets and liabilities maintained in currencies other than RMB are translated into the RMB at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than RMB are translated at rates ruling on the transaction dates. All resulting exchange differences are dealt with in the income statements.

The presentation currency of the Group is EURO (€) and therefore the financial statements have been translated from RMB to EURO at the following exchange rates:

Year end rates Average rates

31 December 2006 € 1 = RMB 10.2665 € 1 = RMB 10.1535

31 December 2007 € 1 = RMB 10.6669 € 1 = RMB 10.4175

Assets and liabilities are translated into EURO at the closing rate, and all income and expenses are translated at the average rate during the financial year, being an approximation for the actual rates at the date of the transactions. All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

Sales of goods

Revenue is recognized upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Interest income

Interest income is recognised as the interest accrues taking into account the effective yield of an asset.

Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an expense item, it is recognised in the income statement over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Employee benefits

Defined contribution plan

Contributions to defined contribution plans are recognised as an expense in the income statement in the same financial period as the employment that gives rise to the contributions.

Pursuant to the relevant regulations of the PRC government, the Group has participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are charged to the income statement as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

Finance costs

Interest expense and similar charges are expensed in the income statement in the financial period in which they are incurred.

Income tax

Income tax for the financial period comprises current and deferred taxes. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case such income tax is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to income tax payable in respect of previous financial periods.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

Depreciation is calculated on the straight-line method so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:

	Estimated residual value	Useful life	Annual depreciation rate

Plant	10%	20	4.5%
Machinery	10%	10	9%
Motor vehicle	10%	8	11.25%
Office equipment	10%	5	18%

Fully depreciated property, plant and equipment are retained in the financial statements until such time when they are no longer in use.

Construction in progress represents property, plant and equipment under construction and is stated at cost.

No provision for depreciation is made on construction in progress until such time when the relevant assets are completed and put into use.

Land use rights

Land use rights are stated at cost less accumulated amortization and any impairment losses.

Amortization is calculated on a straight-line basis to write-off the cost of the land use rights over the lease terms.

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant assets are carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial assets

Except for the loans and receivables, the Group has not classified any of its financial assets as other categories. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provision is recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being made based on past experience after analysis the ageing of receivable.

For trade receivable, which are reported, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that trade receivables will not be collectable, the gross carrying value of the assets is written off against the associated provision. The impairment provision offset the carrying amounts only to the extent that their carrying amounts are offset in the balance sheet.

The Group's loans and receivables comprise trade and other receivables, amounts due from related parties and cash and cash equivalents in the balance sheet.

Cash and cash equivalents comprise cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities and equity

The Group classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Financial liabilities of the Group include trade and other payables, amounts due to related parties, bank borrowings.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and prepayable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Unless otherwise stated, book value of financial liabilities is not materially different from their fair values.

Equity instruments are recorded net of direct issue costs

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised where:

• The contractual rights to receive cash flows from the asset have expired;
• The Group retains the contractual rights to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a pass through arrangement; Or
• The Group has transferred its rights to receive cash flows from the asset and either (i) has transferred substantially all the risks and rewards of the asset or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measure at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in the income statement.

Leases

Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the Group.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions.

Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of assets and liabilities within the next financial period are discussed below.

Depreciation of property, plant and equipment

These assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 20 years. The carrying amounts of the Group's plant and equipment as at 31 December 2007 were approximately € 7,719,497. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Income taxes

The Group has exposure of income tax in the PRC. Significant judgment is involved in determining the Group's provisions for income taxes.

The Group recognized liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provision in the financial period in which such determination is made.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgements (Continued)

Impairment of loss

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant assets is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Segment reporting

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Group's revenue, assets, liabilities and capital expenditures are almost entirely attributable to a single business segment of building and sales of PV Modules and a single location which is the P. R. China; therefore, no segments are presented.

10.2 Comments on the results of operations

10.2.1 IFRS comparisons of results for the year ending Dec. 31, 2007 and Dec. 31, 2006

Revenues

Sales revenue was 27.4 M€ in the end of year 2007 compared to 1.7 M€ in the end of year 2006. Since the Subsidiary started operating in September 2006, the 2006 P&L reflects only 4 months of actual operations with total sales in an amount of 1.7 M€ while 2007 reflects 12 months operation with total sales of 27.4 M€ ; It is worthnoting hat the higher sales revenue in 2007 was also due to higher average selling prices (ASP) (30.63 RMB/Watt in 2006 versus 31.70 RMB/Watt in 2007) and higher sales volumes in MW (0.67 MW in 2006 versus 10.55 MW in 2007). Higher shipping volumes and higher ASP in 2007 were due to increasing demand for modules in our major European and Asian markets.

Other operating income

	2007 RMB	2006 RMB
Raw material treatment	1,385	-
Tenure subsidy amortization	18,867	8,063
Interest income	1,941	473
Government subsidy	9,606	-
Others	621	11,424
	32,420	19,960

Higher Other Operating Income in 2007 was due to higher government grant of 0.9 M€ related to land use rights subsidy and higher interest income and disposal of raw materials.

Cost of Sales

Cost of sales for 2006 and 2007 has been recorded as follows:

-2006: 1,237,709 € (4 months)

-2007: 22,873,331€

Cost of sales increased from 1.23 M€ in the end of year 2006 to 22.87 M€ in the end of 2007 due to higher sales volumes and 8 months more sales in 2006.

Selling and Distribution Expenses

	2007 Euro	2006 Euro
Salaries	9,472.01	1,656.95
Additional fee	1,177.53	174.62
Educational fee	126.16	18.71
Advertising fee	12,096.54	1,186.01
Travel charge	11,954.37	2,201.63
Office incidental expenses	1,913.22	911.41
Entertainment expense	1,180.52	70.84
Consumption articles	14.01	120.09
Packing fee	28.80	10.58
Transport charge	11,573.47	852.59
Telephone fee	549.93	121.57
Labor union budget	168.22	8.01
Labor service charge	31.51	-
Fuel	31.89	-
Insurance	163.30	-
Others	14.89	-
	50,496.37	7,333.01

Higher selling and distribution expense in 2007 was due to higher advertising expenses, higher business traveling and entertaining expense and higher salary expenses associated with sales people, also largely due to fewer operating months in 2006.

Administration Expenses

	2007 Euro	2006 Euro
Salaries	63,224	20,998
Additional fee	3,769	756
Educational fee	827	455
Travel charge	58,637	14,474
Office incidental expense	67,555	10,246
Fuel	20,236	4,727
Consulting expense	42,642	1,281
Repair charge	9,530	6,267
Toll charge	674	120
Stamp tax	18,060	2,014
Labor service charge	133	873
Insurance	11,486	979
Entertainment expense	26,829	5,603
Consumption article	12,585	4,186
Water and electricity rate	583	129
Organization expense	-	69,175
Telephone fee	8,046	3,285
Labor union budget	1,103	75
Transport charge	1,996	792
Depreciation expense	9,690	676
Labor protection	8,361	2,687
Manufacture expense	3,466	7,624
Rental fee	7,151	550
Allowances for doubtful trade receivables	288,814	13,226
Allowances for doubtful other receivables	145,427	16,090
Tenure amortization	21,490	9,114
Technology development expense	9,606	-
Laboratory fee	3,719	-
Training expense	5,879	-
Vehicle and ship tax	40	-
Housing property tax	3,377	-
Land tax	6,463	-
Others	38,372	47,869
	880,942	244,522

Administration expense was 880,942 € in 2007 compared to 244,522 € in 2006 due to few operating months in 2006, higher consulting fee, higher employee cost and higher expenses related to business travels, communications and entertainment. This increase of administrative expenses between 2007 and 2006 also largely attributes to the big amount of “allowances for doubtful trade and other receivables” because the Subsidiary implements a strict receivable accounting policy. In terms of those “doubtful trade and other receivables”, the Subsidiary will settle most of them in 2008.

Income tax benefit

	2007	2006
	€	€
Current income tax -		58,005
Deferred income tax	(103,936)	(7,410)
	(103,936)	50,595

In 2006 Dongying photovoltaic power Co. Ltd. is reregistered as an foreign investment enterprise and meanwhile it is a production enterprise in accordance with the PRC income tax legislations so it is entitled to exemptions from PRC income tax for the two years commencing from the first profit-making year of operation it chose which was 2007 and there after it is entitled to a 50% relief from PRC income tax for the next three years.

Financial Cost

	2007	2006
	€	€
Interest expense on short-term loan	45,926	16,425
Bank service charge	1,064	121
	46,990	16,546

Higher financial cost in 2007 was due to higher interest rate and higher balance of short-term debt in 2007.

Net Income

Net income was 3.72 M€ in 2007 compared to 0.19 M€ in 2006 due to higher sales volumes, higher gross profit more than offset higher selling and administration expenses. Higher sales volume in 2007 was due to only 4 month actual operations in 2006, highly monthly shipment and higher ASPs in 2007.
While the gross margin rate dropped from 28% in 2006 to 16.6% in 2007 the EBIT margin dropped from 14.95% in 2006 to 13.3% only in 2007 since 2006 administration expenses included a good amount of start-up expenses. Accordingly profit margin before tax dropped from 14% in 2006 to only 13.2% in 2007.

Balance sheet

At 31/12/2006 the capital invested in the company was 2.6 M€ as fixed assets and 0.5 M€ as net working capital requirement funded by 2.1 M€ equity and 0.1 M€ net financial debt (including government grant of 0.9 M€ repayable over 50 years).
At 31/12/2007 after an intensive investment program the capital invested in the company reached 8.9 M€ as fixed assets and 1.5 M€ as net working capital requirement (i.e. 5.4% of 2007 revenue). Such capital invested was funded by 7.9 M€ equity (including a capital increase of 3.8 M€ made during the year and 3.3 M€ net result generated during 2007) and 2.4 M€ net financial debt (including the government grant of 0.9 M€ and 2 M€ due to related party as a non trade transaction).
In such conditions the company benefits from a sound liability structure to support its investments and face its future.

Analysis of business sector for the years ended on December 31, 2007 and 2006

Overseas markets: In both 2006 and 2007, company's module was sold primarily to European (Germany and Spain) and Asian market (South Korea). Overseas sales accounted for about 70% of total revenue. However, all overseas sales were conducted through import and export agents and in RMB transactions.

Domestic markets: In 2007, about 30% of sales were in domestic market, including installation service charge.

Outlook for 2008

Although the Company's main product in 2006 and 2007 were solar modules, the Company will add production assets in ingot and solar cell in 2008 in order to capture higher margins in ingot and cell manufacturing. Module production for the whole year is estimated to be around 35 MW with capacity of 56 MW in the beginning of the year and will ramp up to 156 MW by the end of the year. Ingot capacity will be 35 MW by the end of the year and whole year production will be around 15 MW.

11. CAPITAL RESOURCES

11.1 Analysis of capital resources for the 8 months ended December 31, 2006 and 12 months ended December 31, 2007 of CNPV, the operating company in China

11.1.1 Consolidated equity

	Share capital Euro	paid-up capital Euro	Reserves Euro	Retained earnings Euro	Total Euro
Balance at 21 April 2006	-	-	-	-	-
Net profit for the financial period	-	1,968,668	5,975	162,430	2,137,073
Balance at 31 December 2006	-	1,968,668	5,975	162,430	2,137,073
Net profit for the financial year	946	2,188,350	422,336	3,161,232	5,772,864
Balance at 31 December 2007	946	4,157,018	428,311	3,323,662	7,909,937

The shareholders' equity of the Company records a steady growth as a result of the profitable results and the absence of dividend distribution.
At 31/12/2007, shareholders' equity stands at 7,909,937 Euro.

11.1.2 Consolidated cash flows

	Financial year ended 31 December 2007 Euro	Financial period ended 31 December 2006 Euro
Net cash flow before change in working capital and income tax	4,217,798	322,901
Change in working capital	(4,455,497)	(547,594)
Interest received	(45,874)	(16,425)
Net cash generated from operating activities	(283,573)	(241,118)
Net cash used in investing activities	(2,625,181)	(1,666,482)
Net cash used in financing activities	2,767,850	2,461,584
Net increase (decrease) in cash and cash equivalent	(140,904)	553,984
Cash and cash equivalents at beginning of the year	548,979	-
Foreign exchange difference	(34,258)	(5,005)
Cash and cash equivalents at end of the year	373,817	548,979

11.1.3 Financing resources

The net financial position of the Company is as follows:

	As at 31-December 2007 Euro	As at 31-December 2006 Euro
Current investments	-	-
Cash and cash equivalents	373 817	548 979
Long term payables	876 151	929 453
Due to related party	1 002 076	83 006
Bank borrowings	932 792	487 021
Net Financial Position	**2 437 202**	**950 501**
Capital & Reserves	7 909 937	2 137 073
Gearing ratio	*30.81%*	*44.48%*

The gearing ratio is significantly improving during the last 2 years. At 31/12/2007, with a gearing of 30.81%, the liability structure allows the Company to pursue its investment policy.

Economic Balance Sheet

	As at 31-December 2007 Euro	As at 31-December 2006 Euro
Fixed assets	8 870 278	2 563 675
Net working capital requirement	1 476 861	523 899
% of total revenues and other operat.income	*5.38%*	*30%*
Total capital employed	**10 347 139**	**3 087 574**
Equity	7 909 937	2 137 073
Net financial position	2 437 202	950 501
Total resources	**10 347 139**	**3 087 574**

At 31/12/07 5.38% of the capital employed is used for the financing of the NWCR, compared to 30% at 31/12/2006. This improvement in net working capital management is mainly attributable to the Company's successfully keeping inventory down when sales boosted in 2007.

At 31/12/.2007 the bulk of the resources are provided by the shareholders' equity (76%) and the financial structure is sound.

Covenants related to financial ratios

Nihil.

11.1.4 Company’s Off-balance-sheet commitments

Nihil.

11.1.5 Contractual obligations

Nihil.

11.2 Market risks

Management of the Company’s financial risks (interest rate, exchange rate and liquidity risks) is the responsibility of the management of the Company.

Exchange rate risk

Foreign exchange risk refers to the risk that movement in foreign currency exchange rate against RMB will affect the Company’s financial results and its cash flows.
The Company's exposure to foreign currency risk is minimal as substantially all its transactions are in RMB and export price is decided on the basis of domestic price.

Interest rate risk

Interest rate risk arises from the potential changes in interest rates that may have an adverse effect on the Company in the current reporting period and in future years.
The Company is exposed to interest rate risk through the impact of interest rates changes on interest bearing debts and interest-bearing cash. The Company does not enter into any derivative instruments to hedge this risk.

Liquidity risk

Liquidity risk arises from the possibility that the Company is unable to meet its obligations towards other counterparts.
The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company’s operations and mitigate the effects of fluctuations in cash flows.

12. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

12.1 Research and development

The Company is a high-tech enterprise in Shandong Province, PRC. Since its inception, it has attached great importance to its R&D capabilities with the establishment of its own R&D project center.

The R&D team, led by Mr. SHI Yu Chuan and Mr. Massoud Javidi, has 6 solar industry reseachers, of which 4 people are full time employees and 2 are external experts from leading institutions, who are more project oriented. All of them have strong technical background and several years of experience in solar industry.

In Sep 2006, the Company entered into an agreement with Shandong University of Technology to build the Institute for Solar PV Application. The ongoing project is Shengli Oil Field Long-Distance Pipeline Cathodic Protection Project. Besides, it has also built up strategic cooperation with the Solar Energy Institute of Xi'an Jiaotong University, one of the leading universities in China specialized in science and engineering studies. These initiatives will help the Company design technical improvement and will considerably push forward its technical capabilities in the future.

The major research areas are as follows:

1) Vertical integration of value chain

2) Tracking and monitoring the development of thin film technology and other new emerging technologies

3) Improvement of cell conversion efficiency, reduction in wafer thickness, and enhancement in the size of wafers and modules

4) Participation in the setting and formation of domestic PV industrial standards

5) Research and development on solar-wind hybrid power and its application on real project.

12.2 Intellectual Property

12.2.1 Trademark

On August 28th, 2007, CNPV applied to the Trademark Bureau of the State General Administration of Industry and Commerce of the P.R.China for the registration of the trademark of "CNPV power", the Trademark Bureau of the State General Administration of Industry and Commerce of the P.R.China has accepted such application. The registration code of the trademark of "CNPV power" is ZC6245707SL, the applicant is Dongying Photovoltaic Power Co., Ltd., and the registration code was given on October 17th, 2007.

12.2.2 Patent

On June 20th, 2008, a Supplementary Agreement for a License Agreement for Using Patent was signed by and between CNPV and XiAn JiaoTong University, under which CNPV is entitled to use the patent of "BIPV Structure Equipment" promulgated by the State Intellectual Property Bureau of the PRC for five years, starting from May 12th, 2007 to May 11th, 2012, upon the expiration, the licensing fees and licensed period will be renegotiated between the two parties. According to Article 3 of the supplementary agreement, CNPV shall pay XiAn JiaoTong University a fee for joint research and development in the amount of RMB120,000 in a lump sum within ten days after the effective date of the said supplementary agreement. This patent is owned by XiAn JiaoTong University and the patent registration No. is ZL 2004 1 0026219.5, the inventors are Mr. Shi Yu Chuan and Mr. Huang Guohua, the patent holder is XiAn JiaoTong University, the application date for the patent is June 7th, 2004 and the valid period for the patent is 20 years starting from the application date.

12.2.3 Domain Name and other Intellectual Property Rights

The domain name that is now used by CNPV is www.cnpv-power.com and this domain name was registered on August 20th, 2007, the valid period is from August 21st, 2007 to August 21st, 2010, both the owner and the manager of the domain name are CNPV.

12.2.4 Licenses and authorizations

The Company has been granted the following certifications:

ISO9001-2000	International Quality Management System Certification
RoHS	Restriction of Hazardous Substances in electrical and electronic equipments Certification
CE/EMC	Modules passed electromagnetic compatibility standard test by CTI (Centre Testing International)

The Company's PV products are also expected to pass TüV certificate in 2008 and UL certificate in 2009 respectively.

13. INFORMATION ON TRENDS

The Company aims to be well recognized in both domestic and overseas PV markets and strives to become a professional PV system integrator. It plans to adopt the following strategies for the growth development and improvement of shareholder value:

13.1 Focusing on production capacity expansion with poly-crystalline solar cells and modules as the key

The Company will expand the production capacity in order to achieve economies of scale. Module production capacity will be increased from 56MW in 2007 to 256MW in 2009. For mono-crystalline silicon PV modules, the Company will gradually develop its production capacity to meet the demand of existing customers and generate stable sources of revenue and cash flow. For poly-crystalline solar cells and modules, it will accelerate the development of poly-crystalline solar cells to enhance product mix. The Company will take advantage of poly-crystalline solar cells' visible cost competitiveness in terms of savings in raw materials and energy consumption, particularly in face of surging price and supply shortfall of poly-silicon.

13.2 Focusing on achievement of vertical integration in 2-3 years

To support the Company's long term growth and sustainability, the Company intends to significantly enhance the overall in-house production ratio. The Company will achieve cost advantages and maximize profitability throughout the value chain, starting from the production of ingots. Furthermore, the approach shall help minimize the Company's exposure to market fluctuation risks, primarily from price and supply side constraints and optimize the overall technical management, quality control and logistic efficiency.

13.3 Focusing on European market

The Company is actively expanding its marketing channels globally, with a clear focus on the European market, which will be largely established in 2008 and 2009. The planned overseas representative offices will be in Germany, France, Spain, United States and Peru. The global solar exhibitions and seminars also constitute a good platform to strengthen its presence on the international stage. These marketing strategies aim to further diversify the Company's customer base and pursue a long term relationship with the recognized customers.

13.4 Focusing on the development of thin-film based cell technology and production

The pilot production will commence in early 2009, with initially designed annual production capacity of 5 MW. The attractive gross margin from thin-film based cells shall help the Company sustain long-term revenue growth and earning stability and keep pace with the international development trends of thin film technologies or other new emerging technologies to maintain its technical competitiveness. -Additionally, the Company shall further reduce the overall cell production costs and intends to achieve the long-term grid parity envisaged in the solar power industry. .

13.5 Targeting the emerging solar market such as in China and India

The Company believes that the solar energy markets in China and India have great potential in response to the recent legislative and policy changes encouraging and supportive of the use of renewable energy sources. The Company intends to actively pursue opportunities in the system integration market segment in these emerging markets when these markets become more developed. The Company believes that its expertise in solar power system integration as well as the in-depth knowledge of the local market will equip the Company with a clear competitive advantage to capture growth opportunities presented in these markets.

14. PROFIT ESTIMATES AND FORECASTS

Not applicable.

15. ADMINISTRATION, MANAGEMENT, SUPERVISION AND GENERAL MANAGEMENT BODIES

15.1 CHINA SOLAR PHOTOVOLTAIC SA (LUXEMBOURG)

15.1.1 Composition of the board of directors

The members of the Board of Directors are, on the date the present Offering Circular was filed, as follows:

Mr. Zhang Shun Fu	Chairman
Ms. Lu Li	Director
Mr. Christophe Blondeau	Independent Director

15.1.2 Biographies of the Directors

Mr. Zhang Shun Fu,
Male, Master Degree, born in Sep 2nd, 1962 - Domicile: Jinhan Homestead, Dongying, Shandong Province, China
Mr. Zhang is mainly responsible for the daily operations and management. Over the past 20 years, Mr. Zhang has accumulated extensive experience in project operations and corporate management and deep insight into the new technologies and changing dynamics of the solar industry. He started working as CEO of Dongying Photovoltaic Co., Ltd. since 2006.

Working Experience:

2001	2005	Dongying Sheng Tong Telecommunication Co., Ltd.	Executive Director
2001	2005	Shengli Project Company Ltd.	Board Chairman
1993	2001	Shengli Oil Field Sheng Tong Group Ltd.	Deputy General Manager
1987	1992	Dongying Government Office	Administration Officer

Ms. Lu Li
Female, Master Degree, born on Jan 31st, 1971 - Domicile: Shanghai, China
Ms. Lu served as chairman of supervisory board since Sept. 2007. She has accumulated many years of experience in project operation and management, and participated in several IPO deals in European capital markets.

Working experience:

2005	Now	Riemann Investment Holdings Ltd	Project Manager
2003	2004	Dyna Trading Co. Ltd	Accountant
1997	2000	C.Steinweg Shenzhen Rep. Office	Chief Representative

Mr. Christophe Blondeau
Male, Master Degree, born in Feb 28th, 1954 - Domicile: 23, Val Fleuri, L-1526 Luxembourg
Mr. Blondeau is one of the partners in Fidalux SA.

Working Experience:

1994	Today	Fidalux S.A.	Managing Director
1986	1994	Dexia, Luxembourg	Senior Executive
1978	1986	Assubel, Belgique	Senior Executive

15.1.3 General management of the company

The general management of the company is dealt with under the responsibility of Mr. Zhang Shun Fu acting as Chairman& CEO.

15.1.4 Committees

There are no Committees.

15.1.5 Conflicts of interest at the level of the director, management and supervisory bodies and the general management

To the best of the Company's knowledge there are no potential conflicts of interest between the duties, with regard to the company, of the board members and the other members of the general management and their private interests and other duties.
To the best of the Company's knowledge, there are no pacts or agreements of any kind concluded with shareholders, clients, suppliers or other parties under the terms of which one of the members of the Board of Directors or one of the other members of general management has been designated in this respect.

15.2 China Solar Photovoltaic Group Limited (Hong Kong)

15.2.1 Composition of the board of directors

The administration of the company is dealt with by a board of directors which includes.
The Board of Directors is composed of five (5) executive Directors:

Mr. WANG An Quan	Chairman
Mr. ZHANG Shun Fu	Director
Mr. FU Si Xing	Director
Mr. HUANG Qianping	Director
Mr. SHI Yu Chuan	Director

15.2.2 Biographies of a sole Director

Mr. Wang An Quan

Male, College Degree, born in March 27th, 1963

Domicile: 192#, Wenhui Street Office, Dongying District, Dongying City, Shandong Province

Mr. Wang has served for CNPV as the chairman of the board since 2006.

Working Experience:

2006	Now	Dongying Photovoltaic Power Co., Ltd	Chairman
2000	2006	JianJun industrial and trading company, Dongying City	Chairman
1988	1995	Private Enterprise	General Manager

Mr. ZHANG Shun Fu,

Male, Master Degree, born in Sep 2nd, 1962

Domicile: Jinhan Homestead, Dongying, Shandong Province, China

Mr. Zhang is mainly responsible for the daily operations and management. Over the past 20 years, Mr. Zhang has accumulated extensive experience in project operations and corporate management and deep insight into the new technologies and changing dynamics of the solar industry. He started working as CEO of Dongying Photovoltaic Co., Ltd. since 2006.

Working Experience:

2001	2005	Dongying Sheng Tong Telecommunication Co., Ltd.	Executive Director
2001	2005	Shengli Project Company Ltd.	Board Chairman
1993	2001	Shengli Oil Field Sheng Tong Group Ltd.	Deputy General Manager
1987	1992	Dongying Government Office	Administration Officer

Mr. FU Si Xing

Male, Doctor Degree, born in Sep 29th, 1961

Domicile: North Xisanhuan Road, Haidian Area, Beijing, China

Mr. Fu has over 20 years of extensive experience across capital markets and corporate management. His in-depth insight of Chinese business and legal environment guides the team to structure and finalize deal in a more creative and efficient manner. With his lead, Riemann has successfully completed 3 IPOs in 2007and a number of private equity projects.

Previous experience includes researcher of China National Defense Technology Center; Senior Director in Three NINE Group, a famous pharmaceutical company where he was mainly responsible for financing and M&A; and the CEO of China Digital Wireless Inc, a US listed company.

Working Experience:

2005	Now	Riemann Investment Holdings Ltd	Partner
2004	2006	China Digital Wireless Inc	CEO
2004	2006	Sifang Holdings	Executive Manager
2004	2006	Shanghai TCH Data Technology Co., Ltd.	director

Ms. Huang Qianping
Female, Master Degree, born in Jan 16th, 1968
Domicile: Shanghai, China
Ms. Huang has broad experience across private placement, IPOs, reverse takeover and has participated and closed numerous deals in European and U.S. capital markets.

Working Experience:

2005	Now	Riemann Investment Holdings Ltd	Partner
2001	2005		
1993	2001		
1987	1992		

Mr. SHI Yu Chuan
Male, Master Degree, born in Aug 15th, 1958
Domicile: , China
Mr. Shi has accumulated over 20 years of experiences in R&D on solar photovoltaic products and technologies. Over the past two decades, he has received numerous research grants from various government departments including Shaanxi Bureau of Communications, the Ministry of Science and Technology, Ministry of Agriculture and the National Development and Reform Commission.

Working Experience:

1993	Now	Solar Energy Research Group of School of Science at Xi’an Jiaotong University	Professor & Director
1985	2007	Solar Energy Research Group at Xi’an Jiangtong University	Associate Professor

15.3 DONGYING PHOTOVOLTAIC POWER CO., LTD (PRC)

15.3.1 Composition of the board of directors

The administration of China Solar Photovoltaic Group Ltd is dealt with by a board of directors which includes five (5) directors and three (3) supervisor board members.
The mandate of the current members of the board of directors is definite.

The members of the Board of Directors are, on the date the present Offering Circular was filed, as follows:

Mr. WANG An Quan	Chairman
Mr. ZHANG Shun Fu	General Manager & Director
Mr. LI Hao	Director
Mr. LY Peng	Director
Ms. YANG Fan	Director
Ms. LU Li	Chairman of Supervisor Board
Mr. WANG Dong	Supervisor Board Member
Ms. SHI Xueqin	Supervisor Board Member

15.3.2 Biographies of the Directors

Mr. Wang An Quan

Male, College Degree, born in March 27th, 1963

Domicile: 192#, Wenhui Street Office, Dongying District, Dongying City, Shandong Province

Mr. Wang has served for CNPV as the chairman of the board since 2006.

Working Experience:

2006	Now	Dongying Photovoltaic Power Co., Ltd	Chairman
2000	2006	JianJun industrial and trading company, Dongying City	Chairman
1988	1995	Private Enterprise	General Manager

Mr. ZHANG Shun Fu,

Male, Master Degree, born in Sep 2nd, 1962

Domicile: Jinhan Homestead, Dongying, Shandong Province, China

Mr. Zhang is mainly responsible for the daily operations and management. Over the past 20 years, Mr. Zhang has accumulated extensive experience in project operations and corporate management and deep insight into the new technologies and changing dynamics of the solar industry. He started working as CEO of Dongying Photovoltaic Co., Ltd. since 2006.

Working Experience:

2001	2005	Dongying Sheng Tong Telecommunication Co., Ltd.	Executive Director
2001	2005	Shengli Project Company Ltd.	Board Chairman
1993	2001	Shengli Oil Field Sheng Tong Group Ltd.	Deputy General Manager
1987	1992	Dongying Government Office	Administration Officer

Mr. Li Hao

Male, Bachelor's Degree, born in Jan 1981

Domicile: Victory industry zone, Dongying city, Shandong Province, China

Mr. Li has served for CNPV as a senior manager since 2006. He has several year experiences in technology department and management of production, and he took participate in the silicon ingot project and investigated the solar cell and multi-crystal rod project in 2007.

Working Experience:

2005	2006	Gaodewei Intelligent Traffic Co., Ltd	Project Manager

Ms. Lv Peng

Female, Bachelor's Degree, born in Apr 1983

Domicile: Victory industry zone, Dongying city, Shandong Province, China

Ms. Lv has served for CNPV as a senior manager since 2006. She has two year experience on sales and marketing.

Working Experience:

2005	2006	Kelin Petroleum Testing Co., Ltd	Assistant to General Manager

Ms. Yang Fan

Female, College Degree, born in Nov 6th, 1983

Domicile: New District Dongying City, Shandong Province

Ms. Yang has served for CNPV as a senior manager of administration department and chairman of the workers' union since 2006.

Working Experience:

2005	2006	Dongying District Broadcast Station	Anchorperson
2004	2005	Xindu Real Estate & Property Co. Ltd	Marketing Manager

Ms. Lu Li

Female, Master Degree, born on Jan 31st, 1971

Domicile: Shanghai, China

Ms. Lu served as chairman of supervisory board since Sept. 2007. She has accumulated many years of experience in project operation and management, and participated in several IPO deals in European capital markets.

Working experience:

2005	Now	Riemann Investment Holdings Ltd	Project Manager
2003	2004	Dyna Trading Co. Ltd	Accountant
1997	2000	C.Steinweg Shenzhen Rep. Office	Chief Representative

Mr. Wang Dong

Male, Master Degree, born in Mar 19th, 1968

Domicile: Shanghai, China

Mr. Wang has served as general manager in H.J. Heinz Co., Ltd since 1998. He has more than ten year experience in management and IT technology.
Working Experience:

2005	Now	Shanghai Taimeng Trading Co., Ltd	General Manager
2000	2005	United Micro Systems (US)	General Manager
1996	1998	Ruide Group Xi'an Branch	Vice President
1994	1996	Aoneng Group (HK) Xi'an Branch	CTO

Ms. Shi Xueqin
Female, College Degree, born in Dec 1984
Domicile: Zhongwangwu, Dongying City, Shandong Province
Ms. Yang has served for CNPV as a manager of supply department since 2006. She has two year experience on purchasing and marketing.
Working Experience:

2005	2006	Dongying Artesian Well Academe	Secretary
2004	2005	Dongying Sanlian Department Store	Sales

15.3.3 General management of the company

The general management of the company is dealt with under the responsibility of Mr. Zhang Shun Fu acting as General Manager

15.3.4 Committees

There are no Committees.

15.3.5 Conflicts of interest at the level of the director, management and supervisory bodies and the general management

To the best of the Company's knowledge, there are no potential conflicts of interest between the duties, with regard to the company, of the board members and the other members of the general management and their private interests and other duties.
To the best of the Company's knowledge, there are no pacts or agreements of any kind concluded with shareholders, clients, suppliers or other parties under the terms of which one of the members of the Board of Directors or one of the other members of general management has been designated in this respect.

16. REMUNERATION AND BENEFITS

The aggregate cash compensation and benefits paid to directors and executive officers during the most recent financial year by the Company was approximately RMB 200,000. No executive officers is entitled to any severance benefits upon termination of his or her employment with our company..

The aggregate cash compensation and benefits that we will pay to directors and executive officers will be much higher than those of paid for the year ended December 31, 2007. The reason is that during 2008 the Company has engaged several key management members, who are experts in respective fields and have abundant experiences in solar industry.

The Company has not entered into any agreements on pensions and other retirement benefits with its directors. In addition, no director enjoys an indemnity clause liable to be enacted in the event of the cessation of their director mandate.

17. OPERATION OF ADMINISTRATION AND MANAGEMENT BODIES

17.1 China Solar Photovoltaic SA (Luxembourg)

Description of the role and functioning of the board of directors

The following articles are extracted from the Articles of Association:

Art. 9 The Company shall be managed by a board of directors composed of three (3) members at least who need not be shareholders of the Company. However, in case the Company is incorporated by a sole shareholder or that it is acknowledged in a general meeting of shareholders that the Company has only one shareholder left, the composition of the board of director may be limited to one (1) member only until the next ordinary general meeting acknowledging that there is more than one shareholders in the Company.

The directors shall be elected by the shareholders at their annual general meeting which shall determine their number, remuneration and term of office. The term of the office of a director may not exceed six (6) years and the directors shall hold office until their successors are elected.

The directors are elected by a simple majority vote of the shares present or represented.

Any director may be removed with or without cause by the general meeting of shareholders.

In the event of a vacancy in the office of a director because of death, retirement or otherwise, this vacancy may be filled out on a temporary basis until the next meeting of shareholders, by observing the applicable legal prescriptions.

Art. 10 The board of directors shall choose from among its members a chairman, and may choose from among its members a vice-chairman. It may also choose a secretary, who need not be a director, who shall be responsible for keeping the minutes of the meetings of the board of directors and of the shareholders.

The board of directors shall meet upon call by the chairman, or two directors, at the place indicated in the notice of meeting.

The chairman shall preside at all meeting of shareholders and of the board of directors, but in his absence, the shareholders or the board of directors may appoint another director as chairman pro tempore by vote of the majority present at any such meeting.

Written notice of any meeting of the board of directors must be given to directors twenty-four hours at least in advance of the date foreseen for the meeting, except in case of emergency, in which case the nature and the motives of the emergency shall be mentioned in the notice. This notice may be omitted in case of assent of each director in writing, by cable, telegram, telex or facsimile, or any other similar means of communication. A special convocation will not be required for a board meeting to be held at a time and location determined in a prior resolution adopted by the board of directors.

Any directors may act at any meeting of the board of directors by appointing in writing or by cable, telegram, telex or facsimile another director as his proxy.

A director may represent more than one of his colleagues.

Any director may participate in any meeting of the board of directors by way of videoconference or by any other similar means of communication allowing their identification. These means of communication must comply with technical characteristics guaranteeing the effective participation to the meeting, which deliberation must be broadcasted uninterruptedly. The participation in a meeting by these means is equivalent to a participation in person at such meeting. The meeting held by such means of communication is reputed held at the registered office of the Company.

The board of directors can deliberate or act validly only if at least half of the directors are present or represented at a meeting of the board of directors.

Decisions shall be taken by a majority of votes of the directors present or represented at such meeting. In case of tie, the chairman of the board of directors shall have a casting vote.

The board of directors may, unanimously, pass resolutions by circular means when expressing its approval in writing, by cable, telegram, telex or facsimile, or any other similar means of communication, to be confirmed in writing. The entirety will form the minutes giving evidence of the resolution.

Art. 11 The minutes of any meeting of the board of directors shall be signed by the chairman or, in his absence, by the vice-chairman, or by two directors. Copies or extracts of such minutes which may be produced in judicial proceedings or otherwise shall be signed by the chairman, or by two directors. In case the board of directors is composed of one director only, the sole director shall sign these documents.

Art. 12 The board of directors is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by Law or by these articles of incorporation to the general meeting of shareholders fall within the competence of the board of directors.

In case the Company has only one director, such director exercises all the powers granted to the board of directors.

According to article 60 of the Law, the daily management of the Company as well as the representation of the Company in relation with this management may be delegated to one or more directors, officers, managers or other agents, associate or not, acting alone or jointly. Their nomination, revocation and powers shall be settled by a resolution of the board of directors. The delegation to a member of the board of directors shall entail the obligation for the board of directors to report each year to the ordinary general meeting on the salary, fees and any advantages granted to the delegate. The Company may also grant special powers by authentic proxy or power of attorney by private instrument.

Art. 13 The Company will be bound by the joint signature of two (2) directors or the sole signature of any persons to whom such signatory power shall be delegated by the board of directors. In case the board of directors is composed of one (1) member only, the Company will be bound by the signature of the sole director.

V. Supervision of the Company

Art. 14 The operations of the Company shall be supervised by one (1) or several statutory auditors, which may be shareholders or not. The general meeting of shareholders shall appoint the statutory auditors, and shall determine their number, remuneration and term of office which may not exceed six (6) years.

17.2 China Solar Photovoltaic Group Limited (Hong Kong)

The following articles are extracted from the Articles of Association:

Chairman of directors

The Directors may elect a chairman of their meetings, and determine the period for which he is to hold office, and unless otherwise determined the chairman shall be elected annually. If no chairman is elected, or if at any meeting the chairman is not present within half an hour of the time appointed for holding the same, the Directors present shall choose someone of their number to be the chairman of such meeting.

Unless and until the China Solar Photovoltaic Group Ltd in General Meeting shall otherwise determine, the number of Directors shall not be less than one. The first Director(s) of the China Solar Photovoltaic Group Ltd shall be nominated in writing by the subscriber(s) to the Memorandum of Association.

A Director who is about to go away from or is absent from Hong-Kong may with the approval of the majority of the other Directors nominate any person to be his substitute and such substitute whilst he holds office as such shall be entitled to notice of Meetings of the Directors and to attend and vote thereat accordingly and he shall ipso facto vacate office if and when the appoint or returns to Hong Kong or vacate office as a Director or removes the substitute from office and any appointment and removal under this Article shall be effected by notice in writing under the hand of or by cable from the Director making the same.

A Director may appoint (subject as above provided) one of the other Directors to be his substitute who shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointor’s rights at Meetings of the Directors.

At the Ordinary General Meeting to be held next after the adoption of these Articles and at every succeeding Ordinary General Meeting all Directors, except permanent Directors if any are appointed, shall retire from office and shall be eligible for re-election.

A Director Shall not require any qualification shares.

The office of a Director shall be vacated if the Director:-

(a) resigns his office by notice in writing to the China Solar Photovoltaic Group Ltd; or
(b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
(c) becomes of unsound mind.

No Director shall be disqualified from his office by contracting with the China Solar Photovoltaic Group Ltd, nor shall any such contract or any contract entered into by or on behalf of the China Solar Photovoltaic Group Ltd in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interest be liable to account to the China Solar Photovoltaic Group Ltd for any profit realised by any such contract by reason only of such Director holding that office, or of the fiduciary relations thereby established but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract is determined on if his interest then exists, or, in any other case, at the first meeting of the Directors after the acquisition of his interest. A Director may vote in respect of any contract or arrangement in which he is interested.

A Director of the China Solar Photovoltaic Group Ltd may be or become a Director of any company promoted by this China Solar Photovoltaic Group Ltd or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or shareholder of such company.

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their Meetings as they think fit and determine the quorum necessary for the transaction of business. Until otherwise determined, one Director shall constitute a quorum.

Any casual vacancy occurring in the Board of Director may be filled up by the Directors, but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

Subject to the appointment of substitute aforementioned, the Directors shall have at any time, and from time to time, to appoint a person as an additional Director who shall retire from office at the next following Ordinary General Meeting, but shall be eligible for election but China Solar Photovoltaic Group Ltd at that meeting as an additional director.

China Solar Photovoltaic Group Ltd may by special resolution remove any Director and may by an ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected Director.

Any resolution of the Board of Directors in writing signed by the majority of the Directors, in whatever part of the world they may be, shall be valid and binding as a resolution or the Directors provided that notice shall have been given to all the Directors of China Solar Photovoltaic Group Ltd capable of being communicated with conveniently according to the last notification of address by each such Director given to the registered office of China Solar Photovoltaic Group Ltd.

Where any notice is required either by these Articles, by Table “A” of the Hong Kong Companies Ordinance, by the Hong Kong Companies Ordinance or otherwise, to be given to any Director or to any member of China Solar Photovoltaic Group Ltd, such shall be valid if given by cable and where any consent, agreement, signature, notice by or authority from any Director or member of China Solar Photovoltaic Group Ltd such shall be good and valid if given by cable in spite of the fact that neither the cable nor the document by which the cable is sent bears a written signature. This clause shall not apply to special resolutions.

Power of Directors

The Directors, addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by China Solar Photovoltaic Group Ltd in general meeting subject nevertheless to the provisions of the Hong Kong Companies Ordinance Chapter 32, to these Articles, and to any regulation from time to time made by China Solar Photovoltaic Group Ltd in General Meetings, provided that no such regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulations ha not been made.

Without prejudice to the general powers conferred by the preceding Article and the other powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power: -

(1) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of China Solar Photovoltaic Group Ltd.

(2) To purchase or otherwise acquire for China Solar Photovoltaic Group Ltd or sell or otherwise dispose of any property, rights or privileges which China Solar Photovoltaic Group Ltd is authorised to acquire at such price and generally on such terms and conditions as they small think fit.

(3) To engage, suspend or dismiss the employees of China Solar Photovoltaic Group Ltd, and to fix and vary their salaries emoluments.

(4) To institute, conduct, defend, compromise or abandon any legal proceedings by or against China Solar Photovoltaic Group Ltd, and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against China Solar Photovoltaic Group Ltd.

(5) To refer any claims or demands by or against China Solar Photovoltaic Group Ltd to arbitration and observe and perform the awards.

(6) To make and give receipts, releases and other discharges for moneys payable to China Solar Photovoltaic Group Ltd, and for claims and demands of China Solar Photovoltaic Group Ltd.

(7) To invest, lend or otherwise deal with any of the moneys or property of China Solar Photovoltaic Group Ltd in such manner as they think fit having regard to China Solar Photovoltaic Group Ltd's Memorandum of Association and from time to time to vary or realise any such investment.

(8) To borrow money on behalf of China Solar Photovoltaic Group Ltd, and to pledge, mortgage or hypothecate any of the property of China Solar Photovoltaic Group Ltd.

(9) To open a current account with themselves for China Solar Photovoltaic Group Ltd and to advance any money to China Solar Photovoltaic Group Ltd with or without interest and upon such terms and conditions as they shall think fit.

(10) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of China Solar Photovoltaic Group Ltd as they may consider expedient for, or in relation to, any of the matters aforesaid, or otherwise for the purposes of China Solar Photovoltaic Group Ltd.

(11) To give for any Director, officer or other person employed by China Solar Photovoltaic Group Ltd a commission on the profits of any particular business or transaction, and such commission shall be treated as part of the working expenses of China Solar Photovoltaic Group Ltd, and to pay commissions and make allowances (either by way of a share in the general profits of China Solar Photovoltaic Group Ltd or otherwise) to any person introducing business to China Solar Photovoltaic Group Ltd or otherwise promoting or serving the interest thereof.

(12) To sell, improve, manage, exchange, lease, let, mortgage or turn to account all or any part of the land, property, rights and privileges of China Solar Photovoltaic Group Ltd.

(13) To employ invest or otherwise deal with any Reserve Fund or Reserve Funds in such manner and for such purposes as the Directors may think fit.

(14) To execute, in the name and on behalf of China Solar Photovoltaic Group Ltd, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of China Solar Photovoltaic Group Ltd, such mortgages of China Solar Photovoltaic Group Ltd's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, convenants and provision as shall be agreed upon.

(15) From time to time to provide for the management of the affairs of China Solar Photovoltaic Group Ltd abroad in such manner as they think fit, and in particular to appoint any persons to be the attorneys or agents of China Solar Photovoltaic Group Ltd with such powers (including power to sub-delegate) and upon such terms as they think fit.

(16) From time to time to make, vary or repeal rules and by laws for the regulation of the business of China Solar Photovoltaic Group Ltd, its officers and servants.

(17) To delegate any or all of the powers herein to any Director or other person or persons as the Directors may at any time think fit.

(…)

17.2.1 Dongying Photovoltaic Power Co., Ltd (PRC)

The main contents of the Articles of Association of Dongying photovoltaic Power Co., Ltd are as below:

Article 4 of Chapter One: Dongying photovoltaic Power Co., Ltd is a company with limited liabilities and the investor's liabilities for Dongying photovoltaic Power Co., Ltd shall be limited to the contributed capitals made by the investor.

Article 3 of Chapter Four: The Board of Directors of the company is consisting of five directors; they will all be appointed or dismissed by China Solar Photovoltaic Group Ltd. The company has a chairman and four directors, and the office term of the director is three years. The director is entitled to serve for the second term if he/she is appointed again by China Solar Photovoltaic Group Ltd.

The Articles of Association of Dongying photovoltaic Power Co., Ltd has been gone through relevant formalities for examination and approval and its registration with the Administration of Industry and Commerce has also been completed, it is therefore legal and effective.

18. EMPLOYEES

18.1 Staff

The Group's total 368 full time equivalent employees are distributed as follows at the date of the present Offering Circular

Senior management	**7**
Management	**20**
Logistics department	**15**
Sales & marketing department	**12**
Production department	**304**
Other	**10**
Total	**368**

The average number of employees during the last two fiscal years is the following:

Average number of employees during fiscal years	2007	2006
Senior management	6	6
Management	12	8
Logistics department	6	4
Sales & marketing department	8	6
Production department	242	72
Other	6	4
Total	**280**	**100**

18.2 Participating interests and share subscription or purchase options held by members of the board of directors and other corporate officers.

The Company's management team holds 10% shares of China Solar Photovoltaic SA through Dynatex Investment Ltd.

The Company intends to set up a stock option plan up to 10% of the issued capital to the benefit of the management team of Dongying Photovoltaic Power Co, the operating subsidiary of the Company in PRC. Such plan will be set up within the next 6 months at IPO price.

18.2.1 Shares and other marketable securities conferring access to share capital and share subscription or purchase options held by Directors and other corporate officers

N/A

18.2.2 Company share subscription or purchase options

N/A

18.2.3 Award of free shares pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code.

N/A

18.2.4 Mandatory and discretionary profit-sharing agreements

N/A

19. PRINCIPAL SHAREHOLDERS

19.1 The Company's principal shareholders

The shareholders of China Solar Photovoltaic SA are:

Shareholders	% capital and voting rights
Delotte Group Limited (BVI)	9.63%
Synergy Investment Group Ltd. (BVI)	8%
Hitech Chemical Investment Limited (BVI)	7.36%
Allied Property Capital Limited (BVI)	5%
Primeast Investments Limited (BVI)	8%
Dynatex Investment Ltd. (HK)	10%
Axeford Investment Group (HK)	22.03%
Riemann Investment Holdings Limited (SAMOA)	4%
Mr. Wang An Quan (Individual)	18.98%
Mr. Shi Yu Chuan (Individual)	2%
Mr. Chen Shaohua (Individual)	5%
Total	**100%**

19.2 Shareholder voting rights

One voting right is attached to each share in the Company.

19.3 Controlling interest

On the date of the Offering Circular, there is no controlling shareholder of the Company.

19.4 Agreements liable to result in a change of control

There are no agreements liable to result in a change of control.

Riemann Investment Holding benefits from a call option, up to 3% of the existing share capital of the Company, on the shares held by the other shareholders, pro rata their respective shareholding. Such call option will be exercisable after the IPO at the IPO price.

Lock up :

- The present shareholders have agreed that for the next 12 months after the listing of the shares of the Company they will not offer, pledge, sell, sell an option to buy transfer or dispose of their shares of the Company without prior written consent of the listing sponsor.
  This restriction does not apply to the call option above mentioned.

20. RELATED PARTY TRANSACTIONS

As of 31 December 2007, in addition to those related party information disclosed elsewhere in the financial statements, the following related parties have been identified:

Name of related party	Relationship
Dongying Jianxu Industrial Trading Co., Ltd.	Common legal representative

Directors' remuneration is disclosed in note 8. Amounts due from and to related parties are as follows:

	2007	2006
	€	€
Due from related parties-Non trade	44,433	14,085
Due to related parties-Non trade	1,002,076	83,006

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions during the financial years with related parties, all of which were negotiated at arms' length, were as follows:

	2007	2006
Operating lease expenses	€	€
Dongying Jianxu Industrial Trading Co., Ltd.	44,433	14,085

Management comments: Dongying Jianxu Industrial Trading Co. was the shareholder originally. And the nature of transactions should belong to financial. Actually, that was short-term borrowing between related parties and has been settled in June 2008.

21. FINANCIAL INFORMATION ON THE COMPANY'S ASSETS, FINANCIAL SITUATION AND RESULTS

21.1 Proforma consolidated Financial Statements at 31/12/2007

Independent Auditors' Report

To the shareholders of
CHINA SOLAR PHOTOVOLTAIC S.A.
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Report on Review of pro forma consolidated information as at December 31, 2007

Introduction

We have reviewed the accompanying pro forma consolidated balance sheet of CHINA SOLAR PHOTOVOLTAIC S.A. as of December 31, 2007, and the related pro forma consolidated statements of income, pro forma consolidated changes in equity and pro forma consolidated cash flows for year then ended, and a summary of significant accounting policies and other explanatory pro forma notes. The management is responsible for the preparation and presentation of this pro forma consolidated information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this pro forma consolidated financial information based on our review.

The purpose of the pro forma consolidated financial information is to present the material effects the transactions described in the pro forma notes would have had on the historical consolidated financial statements if the group had existed in the structure created by the transactions throughout the entire reporting period. As the pro forma consolidated information reflects a hypothetical situation, it is not entirely consistent with the presentation that would have resulted had the relevant events actually occurred at the beginning of the reporting period.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2400, "Engagements to Review Financial Statements". A review of pro forma consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying pro forma consolidated financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS).

Luxembourg, July 29, 2008

Thierry REMACLE
Réviseur d'Entreprises
Grant Thornton Lux Audit S.A.

PRO FORMA CONSOLIDATED INCOME STATEMENT
December 31st, 2007
(Euros)

	Notes	2007 €
Revenue		-
Cost of sales		-
Gross profit		-
Other operating income		-
Selling and distribution expenses		-
Administrative expenses	5	(123,000)
Profit from operations		(123,000)
Finance costs		-
Profit before income tax		(123,000)
Negative Goodwill	6	9,275
Income tax (expense)/benefit		-
Net profit for the year		(113,725)

Earnings per share	(0,024)

PRO FORMA CONSOLIDATED BALANCE SHEET
December 31st, 2007
(Euros)

ASSETS	**Notes**	**2007 €**
Non-current assets		
Property, plant and equipment	7	7,719,497
Land use rights	8	1,042,221
Deferred tax assets	9	108,560
		8,870,278
Current assets		
Inventories	11	1,196,123
Trade and other receivables	12	9,507,508
Due from related parties	19	43,771
Cash and cash equivalents	13	523,817
		11,271,219
Total Assets		20,141,497
LIABILITIES		
Non-current liabilities		
Deferred income, non current	14	876,151
Current liabilities		
Short-term loan	15	932,792
Trade and other payables	16	9,320,577
Due to related parties	19	1,002,076
Income tax payable		55,213
Deferred income, current	14	18,413
		11,329,071
		12,205,222
EQUITY		
Capital and reserves		
Share capital	17	466,000
Share premium	17	7,584,000
Profit for the year		(113,725)
Total equity and liabilities		20,141,497

PRO FORMA CONSOLIDATED CHANGE IN EQUITY
December 31st, 2007
(Euros)

	Paid-up capital	Share premium	Profit for the year	Total
	EUR		EUR	EUR
Balance at 01 January 2007	-	-	-	-
Incorporation on July 11, 2008	150,000	-	-	150,000
Proforma Capital increase (contribution in kind)	316,000	7,584,000	-	7,900,000
Net profit for the financial year	-	-	(113,725)	(113,725)
Balance at 31 December 2007	466,000	7,584,000	(113,725)	7,936,275

PRO FORMA CONSOLIDATED CASH FLOW STATEMENT
December 31st, 2007
(Euros)

	2007 €
Cash flows from operating activities	
Profit before income tax	(113,725)
Adjustments for:	
Negative goodwill	(9,275)
Amortization of land use rights	-
Depreciation of property, plant and equipment	-
Amortization of deferred capital grant	-
Interest income	-
Interest expense	-
Operating profits before working capital changes	(123,000)
Working capital changes:	
(Increase)/decrease in:	
Inventories	-
Trade and other receivables	-
Due from related parties	-
Increase/(decrease) in:	
Trade and other payables	123,000
Due to related parties	-
Cash used in operations	-
Interest received	-
Net cash used in operating activities	-
Cash flows from investing activities	-
Purchase of property, plant and equipment	-
Purchase of land use rights	-
Net cash flows used in investing activities	-
Cash flows from financing activities	
Capital injection	-
Repayment for short-term loan	-
Proceed from short-term loan	-
Interest paid	-
Net cash flows from financing activities	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of financial year	-
Entry in the scope of consolidation	523,817
Foreign exchange difference	-
Cash and cash equivalents at end of financial year	523,817

NOTE 1 - GENERAL INFORMATION

The pro forma consolidated financial information of China Solar Photovoltaic S.A., for the financial period ended 31 December 2007 have been prepared for group internal purpose with the objective of submitting a listing application to Alternext.

China Solar Photovoltaic S.A (the "Company") has been incorporated in Luxembourg on July 11, 2008 for an unlimited period for the purpose of the admission on Alternext. The company's main activity is building and sale of photovoltaic modules.

The registered office of the company is established in Luxembourg.

China Solar Photovoltaic S.A. acquired 100% of China Solar Photovoltaic Group Limited (Hong Kong) by way of contribution in kind based on its consolidated net asset value as at December 31, 2007 determined on the basis of its audited consolidated financial statements issued on June 6, 2008.

China Solar Photovoltaic Group Limited acquired the existed company as stated below by the following restructuring exercise.

Name of the Company	Date and place of incorporation	Paid-up capital	Percentage of equity held	Principal activities
Dongying Photovoltaic Power Co., Ltd.	Dongying, P. R. China 21 April 2006	RMB 20,000,000	100%	Manufacturing and selling solar battery accessories.

The restructuring exercise

To rationalize the corporate structure and streamline the operations, a restructuring exercise was carried out as described below (the "Restructuring Exercise").

a) Incorporation of China Solar Photovoltaic Group Limited

China Solar Photovoltaic Group Limited was incorporated on 17 May 2007 under the name of "China Solar Photovoltaic Group Limited" with an authorized share capital and initial issued capital of HK$ 10,000 comprising 10,000 ordinary shares, of which 6,301 shares were subscribed by the former shareholders of Donying Photovoltaic Power Co., Ltd. (the"Dongying Photovoltaic").

b) Acquisition of Dongying Photovoltaic

On 20 August 2007, China Solar Photovoltaic Group Limited entered into the share purchase agreement with the former shareholders of Dongying Photovoltaic to acquire all their shares in Dongying Photovoltaic whose paid-up capital is RMB 20,000,000. The consideration for the acquisition is RMB 20,000,000.

c) Increase the registered capital of Dongying Photovoltaic

The Company increased the registered capital of Dongying Photovoltaic to RMB 225,000,000 on 25 September 2007. As at 31 December 2007, the paid-up capital Dongying Photovoltaic was RMB 43,672,675. The residual part will be paid up in two years after the alternation of the business register.

Upon the completion of the restructuring exercise, the former major shareholders of Dongying Photovoltaic remain effective control of the Group.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUTING POLICIES

Basis of preparation

It is important to notice that the mother company (China Solar Photovoltaic S.A.) did not hold the shares in its subsidiary China Solar Photovoltaic Group Ltd at December 31, 2007. As a consequence, the present financial information does only reflect consolidated accounts in accordance with the international financial reporting standards (IFRS) and does only respond to laws and regulations in force under the hypothesis that the acquisition of these shares would have occurred prior to December 31, 2007, despite the fact that this operation actually took place on July 30, 2008 when the increase of capital occurred. Therefore, the present financial information is referred to as pro forma financial information.

The acquisition by China Solar Photovoltaic Group Limited of a 100% interest in Dongying Photovoltaic, involved the addition to the Group of newly created shell company, which did not have any trades or operations of their own. These transactions did not represent business combinations as defined in IFRS 3 "Business Combination", and there is no guidance elsewhere in IFRS which covers the accounting for such transactions.

In the absence of an international standard or interpretation that specifically applies to a transaction, paragraphs 10 to 12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" set out the approach to be followed. This requires, inter alia, that where IFRS does not include guidance for a particular issue, the Directors may also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards.

Under this circumstance, the financial statements of the Group for the financial years ended 31 December 2007 were prepared using the historical cost method in a manner similar to the merge accounting method as if the restructuring exercise had been completed on 21 April 2006. In consequence, no goodwill arises in respect of these transactions. The comparative consolidated net assets, results and cash flows represent those of Dongying Photovoltaic.

It is noted that in this case, the application of merger accounting results in the amounts reported in the Group's consolidated income statements, consolidated balance sheets and consolidated cash flow statements being the same as if the principles of reverse acquisition accounting, as set out in IFRS 3, were followed.

Basis of consolidation

A subsidiary is a company controlled by the Company. Control is achieved when the Company has the power, directly or indirectly, to govern its financial and operating policies of the company so as to acquire benefit form its activities. Investment in subsidiary is stated in the Company's balance sheet at cost less any impairment losses.

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the balance sheet date. The financial statements of the subsidiary are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All inter-group balances, transactions, income, expenses, profits and losses resulting from inter-group transactions that are recognized as assets, are eliminated in full.

Subsidiary is fully combined from the date of acquisition, being the date on which the Group obtains control, and continues to be combined until the date such control ceases.

Except as disclosed in Note 2, acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the acquisition. Identified assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identified assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognized in the income statement on the date of acquisition.

Group Structure

All subsidiaries are consolidated following the global integration method.

All the reporting dates of the financial statements of subsidiaries are the same as the reporting date used for the pro forma consolidated financial information (December 31,2007).

The hold interests of the Company in consolidated subsidiary companies are:

Company	Country	% of interests	% of votes
China Solar Photovoltaic Group Ltd	Hong Kong	100 %	100 %

Negative goodwill

The surplus of interests of China Solar Photovoltaic S.A. (the purchaser) in the fair value of the assets, liabilities and contingent liabilities acquired in China Solar Photovoltaic Group Ltd by way of contribution in kind, generated a negative goodwill and was recognized in the Income Statement under Negative Goodwill after audit of the proper identification and evaluation of the assets, liabilities and contingent liabilities acquired.

Foreign currency translation

Functional and presentation currency

The functional currency of the Group is Renminbi ("RMB"). As sales and purchases are denominated primarily in RMB and receipts from operations are usually retained in RMB, the directors are of the opinion that RMB reflects the economic substance of the underlying events and circumstances relevant to the Group.

Monetary assets and liabilities maintained in currencies other than RMB are translated into the RMB at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than RMB are translated at rates ruling on the transaction dates. All resulting exchange differences are dealt with in the income statements.

The presentation currency of the Group is EURO (**€**) and therefore the financial statements have been translated from RMB to EURO at the following exchange rates:

	Year end rates	Average rates
31 December 2007	**€** 1 = RMB 10.6669	**€** 1 = RMB 10.4175

Assets and liabilities are translated into EURO at the closing rate, and all income and expenses are translated at the average rate during the financial year, being an approximation for the actual rates at the date of the transactions. All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized:

Sales of goods

Revenue is recognized upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Interest income
Interest income is recognized as the interest accrues taking into account the effective yield of an asset.

Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an expense item, it is recognized in the income statement over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Employee benefits

<u>*Defined contribution plan*</u>

Contributions to defined contribution plans are recognized as an expense in the income statement in the same financial period as the employment that gives rise to the contributions.

Pursuant to the relevant regulations of the PRC government, the Group has participated in a local municipal government retirement benefits scheme (the “Scheme”), whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are charged to the income statement as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

Finance costs

Interest expense and similar charges are expensed in the income statement in the financial period in which they are incurred.

Income tax

Income tax for the financial period comprises current and deferred taxes. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case such income tax is recognized in equity.

Current tax is the expected tax payable on the taxable income for the financial period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to income tax payable in respect of previous financial periods.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

Depreciation is calculated on the straight-line method so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:

	Estimated residual value	Useful life	Annual depreciation rate
Plant	10%	20	4.5%
Machinery	10%	10	9%
Motor vehicle	10%	8	11.25%
Office equipment	10%	5	18%

Fully depreciated property, plant and equipment are retained in the financial statements until such time when they are no longer in use.

Construction in progress represents property, plant and equipment under construction and is stated at cost.

No provision for depreciation is made on construction in progress until such time when the relevant assets are completed and put into use.

Land use rights

Land use rights are stated at cost less accumulated amortization and any impairment losses. Amortization is calculated on a straight-line basis to write-off the cost of the land use rights over the lease terms.

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement, unless the relevant assets are carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial assets

Except for the loans and receivables, the Group has not classified any of its financial assets as other categories.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provision is recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being made based on past experience after analysis the ageing of receivable.

For trade receivable, which are reported, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that trade receivables will not be collectable, the gross carrying value of the assets is written off against the associated provision. The impairment provision offset the carrying amounts only to the extent that their carrying amounts are offset in the balance sheet.

The Group's loans and receivables comprise trade and other receivables, amounts due from related parties and cash and cash equivalents in the balance sheet.

Cash and cash equivalents comprise cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities and equity

The Group classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Financial liabilities of the Group include trade and other payables, amounts due to related parties, bank borrowings.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Bank borrowings are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and prepayable on redemption, as well as any interest or coupon payable while the liability is outstanding.

4. Significant accounting policies (Continued)

Unless otherwise stated, book value of financial liabilities is not materially different from their fair values. Equity instruments are recorded net of direct issue costs

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is recognized where:

- The contractual rights to receive cash flows from the asset have expired;
- The Group retains the contractual rights to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a pass through arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (i) has transferred substantially all the risks and rewards of the asset or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measure at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is recognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the income statement.

Leases

Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Share capital

Ordinary share capital is recognized at the fair value of the consideration received by the Group.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Research and development expenditure

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intension to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year. Upon completion, the development costs is amortized over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

No costs meet the criteria required for capitalization in 2007 and 2006.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of assets and liabilities within the next financial period are discussed below.

Depreciation of property, plant and equipment

These assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 20 years. The carrying amounts of the Group's plant and equipment as at 31 December 2007 were approximately **€** 7,719,497. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Income taxes

The Group has exposure of income tax in the PRC. Significant judgment is involved in determining the Group's provisions for income taxes.

The Group recognized liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provision in the financial period in which such determination is made.

Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of loss

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant assets is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Group's revenue, assets, liabilities and capital expenditures are almost entirely attributable to a single business segment of building and sales of PV Modules and a single location which is the P. R. China; therefore, no segments are presented.

The Group's revenue can be analysed as follows:

5. Administrative expense

	2007 €
Other	123,000

6. Negative Goodwill

	2007 €
Negative goodwill arising from the consolidation	9,275

7. Property, plant and equipment

31 December 2007

	Plant €	Machinery €	Motor vehicle €	Office equipment €	Construction in progress €	Total €
Cost						
Balance as at 1.1. 2007	-	-	-	-	-	-
Acquisition through business combination	4,178,596	2,162,524	78,738	191,030	1,278,482	7,889,370
Balance as at 31.12. 2007	4,178,596	2,162,524	78,738	191,030	1,278,482	7,889,370
Accumulated depreciation						
Acquisition through business combination	-	161,640	3,334	4,899	-	169,873
Balance as at 31.12. 2007	-	161,640	3,334	4,899	-	169,873
Net book value as at 31.12. 2007	4,178,596	2,000,884	75,404	186,131	1,278,482	7,719,497

8. Land use rights

	2007 €
Cost	
Acquisition through business combination	1,071,866
Balance at the end of financial year	1,071,866
Accumulated amortization	
Acquisition through business combination	29,645
Balance at the end of financial year	29,645
Net book value	
Balance at the beginning of financial year	-
Balance at the end of financial year	1,042,221

9. Deferred tax asset

Tax effect for of temporary difference arising from:	2007 €
Allowance for doubtful trade and other receivables	108.560

10. Investment in subsidiary

The following subsidiary has been included in the consolidated financial statements:

Name	Country of Incorporation	% of ownership Interest at 31 December 2007
China Solar Photovoltaic Group Ltd.	P.R.China	100%
Dongying Photovoltaic Power Co., Ltd.	P.R.China	100%

Detail information about the acquisition of the subsidiary has been disclosed in Note 2.

11. Inventories

	2007 **€**
Raw materials	98,253
Package and accessorial materials	34,667
Finished goods	44,023
Goods in transition	1,019,180
	1,196,123

12. Trade and other receivables

	2007 **€**
Trade receivables	2,169,157
Allowance for doubtful trade receivables	(288,814)
Trade receivables-net	1,880,343
Advances to suppliers	7,674,987
Other receivables	97,605
Allowance for doubtful other receivables	(145,427)
Other receivables-net	7,627,165
Total financial assets other than cash and cash equivalents and due from related parties classified as loans and receivables-current portion	9,507,508

	2007 **€**
Total financial assets other than cash and cash equivalents and due from related parties classified as loans and receivables	9,507,508
Due from related parties	43,771
Cash and cash equivalents	373,817
Total financial assets classified as loans and receivables	9,925,096

As at 31 December, the ageing analysis of trade and other receivables is as followings:

	2007 €
Neither past due nor impaired	7,624,046
Past due and partially impaired	
90-180 days	1,973,437
180-360 days	230,640
360-720 days	113,626
Total	9,941,749

All trade and other receivables are current, management considers the carrying amounts recognised in the balance sheet to be reasonable approximation of their fair value due to the short term duration.

Movement in allowance for doubtful trade and other receivables is as follows:

	2007 €
Balance at beginning of the financial year	29,316
Allowance for the financial year	15,746
Foreign exchange difference	(10,821)
Balance at end of financial year	434,241

13. Cash and cash equivalents

	2007 €
Cash on hand	3,142
Cash at banks	520,675
	523,817

Cash at banks earns interest at an annual rate of 0.72%.

14. Deferred income

	2007 €
Cost	
Balance at the beginning of financial year	956,555
Received during the year	-
Foreign exchange difference	(35,906)
Balance at the end of financial year	920,649
Accumulated amortization	
Balance at the beginning of financial year	7,971
Amortization for the financial year	18,854
Foreign exchange difference	(740)
Balance at the end of financial year	26,085
Net carrying value	
Current	18,413
Non-current	876,151

Deferred income related to government grant received for acquisition of a piece of land to build the production line.
There are no unfulfilled conditions and contingencies attached to the grants.

15. Short-term loan

Short-term loan consists of the following:

	2007 €
Loans from bank	89,061
Loans from others	843,731
	932,792

As at 31 December 2007 and 2006, the average effective interest rates on these short-term loans were ranged from 11.125% to 11.016% per annum respectively.

Management considers the carrying amount of short-term loan to be reasonable approximation of their fair value due to the short term duration.

16. Trade and other payables

	2007 €
Trade payables	3,944,040
Advance from customers	319,672
Other tax payable	4,575,427
Other payable and accruals	481,438
Total financial liabilities, excluding short-term loan, due to related parties and income tax payable ,classified as financial liabilities	9,320,577

Other tax payable mainly consisted of VAT payable. Pursued to the notice issued by Dongying Urban District National Tax Bureau dated 13 June 2008, the VAT payable is permitted for a three-month delay payment starting from the issuance date.

	2007 €
Total financial liabilities, excluding short-term loan, due to related parties and income tax payable , classified as financial liabilities	9,197,577
Short-term loan	932,792
Due to related parties	1,002,076
Income tax payable	55,213
Total financial liabilities classified as other financial liabilities	11,187,658

The fair value of trade and other payables has not been disclosed as, due to their short term duration, management considers the carrying amounts recognised in the balance sheet to be reasonable approximation of their fair value.

17. Share capital

The Company was incorporated with an authorized and issued share capital of EUR 150.000 divided into 1.500.000 shares with a nominal value of EUR 0,10 each. The Directors proposed to increase the share capital of the company by issuance of 3.160.000 new shares with a nominal value of EUR 0,10 each with a share premium of EUR 7.584.000 (EUR 2,40 per share) against the contribution in kind represented by 100% of the share capital (10.000 shares) of CHINA SOLAR PHOTOVOLTAIC GROUP CO. LTD. (Hong Kong) valued at EUR 7.900.000.

18. Commitments

Operating lease commitment

As at each of the balance sheet dates, the future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognized as liabilities, are as follows:

	2007
	€
Within one year	9,375
After one year but before five years	18,750
After five years	-
	28,125

19. Related parties

In addition to those related party information disclosed elsewhere in the financial statements, the following related parties have been identified:

Name of related party	Relationship
Dongying Jianxun Industrial Trading Co., Ltd.	Common legal representative

Directors' remuneration is disclosed in note 10. Amounts due from and to related parties are as follows:

	2007
	€
Due from related parties-Non trade	43,771
Due to related parties-Non trade	1,002,076

These amounts are non-trade in nature, unsecured, interest free and repayable on demand.

20. Financial instrument

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank borrowings

All financial assets are designated as loans and receivables (note 17) and all financial liabilities are measured at amortized cost.

General objective, polices and procedures

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Finance Director.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(a) Credit Risk

Credit risk arises principally from the Group's trade and other receivables.

The Group distinguishes its clients by two kinds of credit line. One is 100% credit and the other is nil credit. The Group controls the credit risk from the clients of nil credit through prepayment before goods are transferred to them.

Trade and other receivables presented in the balance sheet are net of an allowance for doubtful receivables, estimated by management based on current economic conditions. The net of an allowance for doubtful receivable presents the Group's maximum exposure to credit risk.

Quantitative discloses of the credit risk in relation to trade and other receivables are disclosed in note 17.

(b) Liquidity Risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy as regards liquidity is to ensure sufficient cash resources are maintained to meet short-term liabilities. To achieve this aim, the group improved receivables turnover ratios by requiring customers who do not pay within allowed credit terms, to pay interest on top of their debt. The Group also seeks to reduce liquidity risk by obtaining high credit ratings from banks. The Group has no any defaults or breaches on its financial liabilities.

(c) Interest rate risk

Interest rate risk arises from the potential changes in interest rates that may have an adverse effect on the Group in the current reporting period and in future years.

The Group is exposed to interest rate risk through the impact of change in interest rates on interest bearing debts and interest-bearing cash. Other than the bank deposits and borrowings, the Group has no other significant interest-bearing assets and liabilities. The Group's policy is to secure all to its borrowings at fixed borrowing rates.

(d) Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) and price of lead ingot (price risk).

(e) Price risk

The Group's balance sheet and income statement is exposed to the price of PV Cell, the main raw material used by the Group in its production process. The Group initiated negotiations with the trading companies who own wider scope of PV Cell suppliers and sign long-term corporation contracts, resulting in a linkage to the price of PV Cell, which effectively alleviated pressure arising from the increase in the raw material price by passing it on to the customer, by agreement.

(f) Capital

The Group considers its capital to comprise its ordinary share capital and accumulated retained earnings. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. The group has historically considered a mix of debt and equity funding as the most appropriate form of capital for the Group.

21. General risks factors

(a) Alternative photovoltaic technologies could reduce market share and cause sales and profit to decline:

Thin film solar modules are estimated to represent 30% of the total market in near future. Thin film solar modules require few or even no amounts of poly-silicon. Their prices are typically lower than crystalline solar modules. If CNPV can not develop thin film technology successfully, we might lose the market opportunity.

(b) Other alternative technologies:

Such as hydro, biomass, wind and even solar thermal technologies.

(c) Government policy changes:

Detrimental impact on demand for solar modules if government subsidies be reduced or eliminated.

(d) Current industry-wide shortage of silicon raw materials:

Current industry-wide shortage of silicon raw materials due to limited suppliers and growing demand may constrain company's revenue growth and decrease gross margin and profitability.

(e) Dependence on a limited number of suppliers:

If the company fails to develop or maintain existing relationship with major suppliers, CNPV may be unable to manufacture products or operating at a higher cost or after a long delay.

(f) Dependence on a limited number of customers:

The company expects to sell substantial portion of products to a limited number of customers according to the signed contracts during 2008. This may cause material fluctuations or declines in revenue due to reduction or cancellation of orders, delay of payments and etc.

(g) Highly competitive market:

If the competitors have greater resources, the company may not be able to compete successfully and may not be able to gain or even lose market share.

(h) Dependence on company's ability to increase manufacturing capacity and output:

Company's future success significantly depends on the ability to increase manufacturing capacity to 200MW in 2008 and total output to serve the current signed order. This ability is subject to many risks and uncertainties such as additional funds, delays of approvals by authorities, raw materials and etc.

(i) Fluctuations in exchange rate could adversely affect business:

A substantial portion of our costs and expense are denominated in Renminbi, while the major sales will be denominated in Euros during 2008 according to current contracts.

(j) Dependence on key management members

The company's business and operations are highly dependent on a few key management members. This may result in risks if those management members leave the company.

(k) Risks related to limited insurance policies

Problems with product quality or product performance could result in a decline in customer numbers and revenue, unexpected expenses and loss of market share.

(l) Risks related to doing business in China

Risks due to restrictions on currency exchange, fluctuation in the value of Renminbi, expiration of preferential tax treatments, changes on related regulations and etc may adversely affect business performance.

22. Post balance sheet event

There have no events between 31 December 2007 and 6 June 2008, that would require an adjustment to the carrying amount of the assets and liabilities or that would need to be disclosed.

On July 14th 2008, the Directors proposed to increase the share capital of the company by issuance of 3.160.000 new shares with a nominal value of EUR 0,10 each with a share premium of EUR 7.584.000 (EUR 2,40 per share) against the contribution in kind represented by 100% of the share capital (10.000 shares) of CHINA SOLAR PHOTOVOLTAIC GROUP CO. LTD. (Hong Kong) valued at EUR 7.900.000.

After the capital increase, CHINA SOLAR PHOTOVOLTAIC S.A. will prepare an offering circular in view of its quotation on the ALTERNEXT market (Euronext Paris)

21.2 Consolidated Financial statements Of China Solar Photovoltaic Group Ltd at 31December 2007 and 31/12/2006

Independent Auditors' Report

To the Shareholders of
China Solar Photovoltaic Group Limited

We have audited the accompanying consolidated balance sheets of China Solar Photovoltaic Group Limited ("the Company") and its subsidiary (collectively referred to as "the Group") as at 31 December 2007 and 2006 and the related consolidated income statements, movements in shareholders' equity and cash flows for the financial years then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2007 and 2006 and of the results of its operations, movements in equity and cash flows for the financial years then ended in accordance with International Financial Reporting Standards.

BDO Shanghai Zhonghua
Certified Public Accountants
Shanghai, P. R. China

6 June 2008

Income statements for the financial years ended 31 December 2007 and 2006

	Notes	2007	2006
		€	€
Revenue	5	27,434,521	1,727,843
Cost of sales		(22,873,331)	(1,237,709)
Gross profit		4,561,190	490,134
Other operating income	6	32,397	19,954
Selling and distribution expenses		(50,460)	(7,331)
Administrative expenses		(880,942)	(244,522)
Profit from operations		3,662,185	258,235
Finance costs	9	(46,990)	(16,546)
Profit before income tax		3,615,195	241,689
Income tax (expense)/benefit	10	103,936	(50,595)
Net profit for the year		3,719,131	191,094

Balance Sheets As At 31 December 2007 And 2006

ASSETS	Notes	2007	2006
		€	€
Non-current assets			
Property, plant and equipment	11	7,719,497	1,484,124
Land use rights	12	1,042,221	1,072,222
Deferred tax assets	10	108,560	7,329
Current assets			
Inventories	13	1,196,123	405,286
Trade and other receivables	14	9,507,508	444,294
Due from related parties	15	44,433	14,085
Cash and cash equivalents		373,817	548,979
		11,121,881	1,412,644
Total Assets		19,992,159	3,976,319
LIABILITIES			
Non-current liabilities			
Deferred income, non current	16	876,151	929,453
Current liabilities			
Short-term loan	17	932,792	487,021
Trade and other payables	18	9,197,577	263,268
Due to related parties	15	1,002,076	83,006
Income tax payable		55,213	57,367
Deferred income, current	16	18,413	19,131
		11,206,071	909,793
		12,082,222	1,839,246
EQUITY			
Capital and reserves			
Share capital	19	946	
Consolidation reserve	20	4,157,018	1,968,668
Capital reserve	20	102,167	-
Statutory reserves	20	586,563	28,664
Foreign currency translation reserve	20	(260,419)	(22,689)
Retained earnings	20	3,323,662	162,430
		7,909,937	2,137,073
Total equity and liabilities		19,992,159	3,976,319

Statements of change in shareholders' equity for the financial years ended 31 December 2007 and 2006

	Share capital	Consolidation reserve	Capital reserve	Statutory reserves	Foreign currency translation reserve	Retained earnings	Total
	€	€	€	€	€	€	€
Balance at 21 April 2006 (Date of incorporation of the subsidiary)	-	-	-	-	-	-	-
Capital injection		1,968,668	-	-	-	-	1,968,668
Transfer to statutory reserves	-	-	-	28,664	-	(28,664)	-
Profit for the year	-	-	-	-	-	191,094	191,094
Foreign currency translation reserve	-	-	-	-	(22,689)	-	(22,689)
Balance at 31 December 2006	-	1,968,668	-	28,664	(22,689)	162,430	2,137,073
Issue of share capital	946	-	-	-	-	-	946
Capital injected by pre-IPO investors	-	2,188,350	102,167	-	-	-	2,290,517
Transfer to statutory reserves	-	-	-	557,899	-	(557,899)	-
Profit for the year	-	-	-	-	-	3,719,131	3,719,131
Foreign currency translation reserve	-	-	-	-	(237,730)	-	(237,730)
Balance at 31 December 2007	946	4,157,018	102,167	586,563	(260,419)	3,323,662	7,909,937

	2007	2006
	€	€
Cash flows from operating activities		
Profit before income tax	3,615,195	241,689
Adjustments for:		
Allowance for doubtful trade and other receivables	415,746	29,642
Amortisation of land use rights	21,475	9,111
Depreciation of property, plant and equipment	140,249	34,567
Amortisation of deferred capital grant	(18,854)	(8,060)
Interest income	(1,939)	(473)
Interest expense	45,926	16,425
Operating profits before working capital changes	4,217,798	322,901
Working capital changes:		
(Increase)/decrease in:		
Inventories	(825,348)	(409,798)
Trade and other receivables	(9,690,938)	(473,683)
Due from related parties	(30,987)	(14,242)
Increase/(decrease) in:		
Trade and other payables	5,147,512	266,199
Due to related parties	944,264	83,930
Cash used in operations	(237,699)	(224,693)
Interest received	(45,874)	(16,425)
Net cash used in operating activities	(283,573)	(241,118)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,593,214)	(1,540,416)
Purchase of land use right	(31,967)	(126,066)
Net cash flows used in investing activities	(2,625,181)	(1,666,482)
Cash flows from financing activities		
Capital injection	2,290,801	1,968,668
Repayment for short-term loan	(479,962)	-
Proceed from short-term loan	955,124	492,443
Interest paid	(45,926)	(16,425)

Net cash flows from financing activities		2,720,037	2,444,686
Net increase in cash and cash equivalents		(188,717)	537,086
Cash and cash equivalents at beginning of financial year		548,979	-
Foreign exchange difference		13,555	11,893
Cash and cash equivalents at end of financial year		373,817	548,979

General information

China Solar Photovoltaic Group Limited (the "Company") was incorporated in Hong Kong on 17 May 2007 with an authorized share capital of HK$10,000. The address of the registered office is at 21/F New World Tower 1, 18 Queen's Road Central, Hong Kong. The principal activity of the Company is that of investment holding.

The Company acquired the existed company as stated blow by the following restructuring exercise.

Name of the Company	Date and place of corporation	Paid-up capital	Percentage of equity held	Principal activities
Dongying Photovoltaic Power Co., Ltd.	Dongying, P. R. China 21 April 2006	RMB 20,000,000	100%	Manufacturing and selling solar battery accessories.

The restructuring exercise

To rationalize the corporate structure and streamline the operations, a restructuring exercise was carried out as described below (the "Restructuring Exercise").

a) Incorporation of the Company

The Company was incorporated on 17 May 2007 under the name of "China Solar Photovoltaic Group Limited" with an authorized share capital and initial issued capital of HK$ 10,000 comprising 10,000 ordinary shares, of which 6,301 shares were subscribed by the former shareholders of Donying Photovoltaic Power Co., Ltd.

b) Acquisition of Dongying Photovoltaic Power Co., Ltd.

On 20 August 2007, the Company entered into the share purchase agreement with the former shareholders of Dongying Photovoltaic Power Co., Ltd. (the"Dongying Photovoltaic") to acquire all their shares in Dongying Photovoltaic whose paid-up capital is RMB 20,000,000. The consideration for the acquisition is RMB 20,000,000.

c) Increase the registered capital of Dongying Photovoltaic

The Company increased the registered capital of Dongying Photovoltaic to RMB 225,000,000 on 25 September 2007. As at 31 December 2007, the paid-up capital Dongying Photovoltaic was RMB 43,672,675. The residual part will be paid up in two years after the alternation of the business register.

Upon the completion of the restructuring exercise, the former major shareholders of Dongying Photovoltaic remain effective control of the Group.

2. Basis of preparation

The acquisition by China Solar Photovoltaic Group Limited of a 100% interest in Dongying Photovoltaic, involved the addition to the Group of newly created shell company, which did not have any trades or operations of their own. These transactions did not represent business combinations as defined in IFRS 3 “Business Combination”, and there is no guidance elsewhere in IFRS which covers the accounting for such transactions.

In the absence of an international standard or interpretation that specifically applies to a transaction, paragraphs 10 to 12 of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” set out the approach to be followed. This requires, inter alia, that where IFRS does not include guidance for a particular issue, the Directors may also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards.

2. Basis of preparation (Continued)

Under this circumstance, the financial statements of the Group for the financial years ended 31 December 2007 and 2006 were prepared using the historical cost method in a manner similar to the merge accounting method as if the restructuring exercise had been completed on 21 April 2006. In consequence, no goodwill arises in respect of these transactions. The comparative consolidated net assets, results and cash flows represent those of Dongying Photovoltaic.

It is noted that in this case, the application of merger accounting results in the amounts reported in the Group’s consolidated income statements, consolidated balance sheets and consolidated cash flow statements being the same as if the principles of reverse acquisition accounting, as set out in IFRS 3, were followed.

3. Basis of consolidation

A subsidiary is a company controlled by the Company. Control is achieved when the Company has the power, directly or indirectly, to govern its financial and operating policies of the company so as to acquire benefit form its activities. Investment in subsidiary is stated in the Company’s balance sheet at cost less any impairment losses.

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the balance sheet date. The financial statements of the subsidiary are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All inter-group balances, transactions, income, expenses, profits and losses resulting from inter-group transactions that are recognized as assets, are eliminated in full.

Subsidiary is fully combined from the date of acquisition, being the date on which the Group obtains control, and continue to be combined until the date such control ceases.

Except as disclosed in Note 2, acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the acquisition. Identified assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identified assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognized in the income statement on the date of acquisition.

4. Significant accounting policies

Functional and presentation currency

The functional currency of the Group is Renminbi ("RMB"). As sales and purchases are denominated primarily in RMB and receipts from operations are usually retained in RMB, the directors are of the opinion that RMB reflects the economic substance of the underlying events and circumstances relevant to the Group.

4. Significant accounting policies

Functional and presentation currency (Continued)

Monetary assets and liabilities maintained in currencies other than RMB are translated into the RMB at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than RMB are translated at rates ruling on the transaction dates. All resulting exchange differences are dealt with in the income statements.

The presentation currency of the Group is EURO (€) and therefore the financial statements have been translated from RMB to EURO at the following exchange rates:

	Year end rates	Average rates
31 December 2006	€1 = RMB 10.2665	€1 = RMB 10.1535
31 December 2007	€1 = RMB 10.6669	€1 = RMB 10.4175

Assets and liabilities are translated into EURO at the closing rate, and all income and expenses are translated at the average rate during the financial year, being an approximation for the actual rates at the date of the transactions. All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

Sales of goods

Revenue is recognized upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Interest income
Interest income is recognised as the interest accrues taking into account the effective yield of an asset.

Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an expense item, it is recognised in the income statement over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

4. Significant accounting policies (Continued)

Employee benefits

Defined contribution plan

Contributions to defined contribution plans are recognised as an expense in the income statement in the same financial period as the employment that gives rise to the contributions.

Pursuant to the relevant regulations of the PRC government, the Group has participated in a local municipal government retirement benefits scheme (the “Scheme”), whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are charged to the income statement as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

Finance costs

Interest expense and similar charges are expensed in the income statement in the financial period in which they are incurred.

Income tax

Income tax for the financial period comprises current and deferred taxes. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case such income tax is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to income tax payable in respect of previous financial periods.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

Depreciation is calculated on the straight-line method so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:

	Estimated residual value	**Useful life**	**Annual depreciation rate**
Plant	10%	20	4.5%
Machinery	10%	10	9%
Motor vehicle	10%	8	11.25%
Office equipment	10%	5	18%

Fully depreciated property, plant and equipment are retained in the financial statements until such time when they are no longer in use.

Construction in progress represents property, plant and equipment under construction and is stated at cost.

No provision for depreciation is made on construction in progress until such time when the relevant assets are completed and put into use.

4. Significant accounting policies (Continued)

Land use rights

Land use rights are stated at cost less accumulated amortization and any impairment losses. Amortization is calculated on a straight-line basis to write-off the cost of the land use rights over the lease terms.

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant assets is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

4. Significant accounting policies (Continued)

Financial assets

Except for the loans and receivables, the Group has not classified any of its financial assets as other categories.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provision is recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being made based on past experience after analysis the ageing of receivable.

For trade receivable, which are reported, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that trade receivables will not be collectable, the gross carrying value of the assets is written off against the associated provision. The impairment provision offset the carrying amounts only to the extent that their carrying amounts are offset in the balance sheet.

The Group's loans and receivables comprise trade and other receivables, amounts due from related parties and cash and cash equivalents in the balance sheet.

Cash and cash equivalents comprise cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities and equity

The Group classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Financial liabilities of the Group include trade and other payables, amounts due to related parties, bank borrowings.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and prepayable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Unless otherwise stated, book value of financial liabilities is not materially different from their fair values.
Equity instruments are recorded net of direct issue costs

4. Significant accounting policies (Continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised where:

- The contractual rights to receive cash flows from the asset have expired;

- The Group retains the contractual rights to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a pass through arrangement; or

- The Group has transferred its rights to receive cash flows from the asset and either (i) has transferred substantially all the risks and rewards of the asset or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measure at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in the income statement.

Leases

Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

4. Significant accounting policies (Continued)

Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the Group.
Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of assets and liabilities within the next financial period are discussed below.

Depreciation of property, plant and equipment

These assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 20 years. The carrying amounts of the Group's plant and equipment as at 31 December 2007 were approximately €7,719,497. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Income taxes

The Group has exposure of income tax in the PRC. Significant judgment is involved in determining the Group's provisions for income taxes.

The Group recognized liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provision in the financial period in which such determination is made.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Significant accounting policies (Continued)

Critical accounting estimates and judgements (Continued)

Impairment of loss

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant assets is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Group's revenue, assets, liabilities and capital expenditures are almost entirely attributable to a single business segment of building and sales of PV Modules and a single location which is the P. R. China; therefore, no segments are presented.

5. Revenue

	2007	2006
	€	€
Revenue derived from:		
Sales of solar battery accessories	27,434,521	1,727,843

6. Other operating income

	2007	2006
	€	€
Disposal of raw materials		
Interest income		473
Government grant		8,060
Others		11,421
		19,954

7. Profit from operations

The following items have been included in arriving at profit from operations:

	2007	2006
	€	€
After charging:		
Allowance for doubtful trade and other receivables		29,642
Amortisation of land use rights		9,111
Depreciation of property, plant and equipment		34,567
Operating lease expenses		9,849
After crediting:		
Government grant	28,453	8,060

8 . Staff costs

Average number of employees of the Group	2007 Number	2006 Number
Management and administration	31	18
Sales	11	3
Manufacturing	58	14
	100	35

The aggregate payroll costs of these employees was as follows:	2007 €	2006 €
Salaries	81,784	
Welfare	7,736	
	89,520	23,132

8. Staff costs (Continued)

Directors' remuneration was as follows:

	2007 Salary €	**2007 Benefit €**	**2007 Total €**	**2006 Salary €**	**2006 Benefit €**	**2006 Total €**
Wang An Quan	6,681	-	6,681	6,855	-	6,855
Zhang Shun Fu	5,299	-	5,299	5,437	-	5,437
Yangfan	518	56	574	-	-	-
Lihao	518	56	574	-	-	-
Lvpeng	518	56	574	-	-	-
Total	13,534	168	13,702	12,292	-	12,292

9. Finance cost

	2007	2006
	€	€
Interest expense on short-term loan	45,926	16,425
Bank service charge	1,064	121
	46,990	16,546

10. Income tax

(a) Applicable tax rate

The applicable tax rate of the Company is nil.

In 2006, Dongying Photovoltaic is reregistered as a foreign investment enterprise and meanwhile it is a manufacturing enterprise in accordance with the PRC income tax legislations, so it is entitled to exemptions from PRC income tax for the two years commencing from the first profit-making year which was 2007 and thereafter it is entitled to a 50% relief from PRC income tax for the next three years. Its applicable tax rate is 24% in the 100% tax exemption periods and 25% starting from the 50% tax exemption periods.

(b) Components of income tax expense/(benefit):

	2007	2006
	€	€
Current income tax	-	58,005
Deferred income tax	(103,936)	(7,410)
	(103,936)	50,595

10. Income tax (Continued)

(c) Reconciliation of effective tax rate

	2007	2006
	€	€
Profit before tax	3,615,195	241,689
Profit before tax at statutory tax rate of 24%	867,647	58,005
Non-deductible expenses	5,143,048	235,306
Tax exemption	(6,114,631)	(242,716)
	(103,936)	50,595

(d) Tax effect of temporary difference arising from:

	2007	2006
	€	€
Allowance for doubtful trade and other receivables		

11. Property, plant and equipment

31 December 2006

	Plant	Machinery	Motor vehicle	Office equipment	Construction in progress	Total
	€	€	€	€	€	€
Cost						
Balance as at 21.4.2006	-	-	-	-	-	-
Additions	-	1,507,197	7,722	12,646	7,651	1,535,216
Foreign exchange difference	-	(16,597)	(86)	(139)	(84)	(16,906)
Balance as at 31.12.2006	-	1,490,600	7,636	12,507	7,567	1,518,310
Accumulated depreciation						
Balance as at 21.4.2006	-	-	-	-	-	-
Charged for the financial period	-	33,891	145	531	-	34,567
Foreign exchange difference		(373)	(2)	(6)	-	(381)
Balance as at 31.12.2006	-	33,518	143	525	-	34,186
Net book value						
As at 21.4.2006	-	-	-	-	-	-
As at 31.12.2006	-	1,457,082	7,493	11,982	7,567	1,484,124

11. Property, plant and equipment (Continued)

31 December 2007

	Plant	Machinery	Motor vehicle	Office equipment	Construction in progress	Total
	€	€	€	€	€	€
Cost						
Balance as at 1.1. 2007	-	1,490,600	7,636	12,507	7,567	1,518,310
Additions	4,235,372	745,301	73,098	183,278	1,344,893	6,581,942
Transfer	43,261	-	-	-	(43,261)	-
Foreign exchange difference	(100,037)	(73,377)	(1,996)	(4,755)	(30,717)	(210,882)
Balance as at 31.12. 2007	4,178,596	2,162,524	78,738	191,030	1,278,482	7,889,370
Accumulated depreciation						
Balance as at 1.1. 2007	-	33,518	143	525	-	34,186
Charged for the financial period	-	132,478	3,273	4,498	-	140,249
Foreign exchange difference	-	(4,356)	(82)	(124)	-	(4,562)
Balance as at 31.12. 2007	-	161,640	3,334	4,899	-	169,873
Net book value						
As at 1.1.2007	-	1,457,082	7,493	11,982	7,567	1,484,124
As at 31.12. 2007	4,178,596	2,000,884	75,404	186,131	1,278,482	7,719,497

12. Land use rights

	2007	2006
	€	€
Cost		
Balance at the beginning of financial year	1,081,233	-
Additions	32,798	1,093,271
Foreign exchange difference	(42,165)	(12,038)
Balance at the end of financial year	1,071,866	1,081,233
Accumulated amortization		
Balance at the beginning of financial year	9,011	-
Amortisation for the financial year	21,475	9,111
Foreign exchange difference	(841)	(100)
Balance at the end of financial year	29,645	9,011
Net book value		
Balance at the beginning of financial year	1,072,222	-
Balance at the end of financial year	1,042,221	1,072,222

13. Inventories

	2007	2006
	€	€
Raw materials	98,253	175,850
Package and accessorial materials	34,667	13,096
Finished goods	44,023	216,340
Goods in transition	1,019,180	-
	1,196,123	405,286

14. Trade and other receivables

	2007 €	2006 €
Trade receivables	2,169,157	327,295
Allowance for doubtful trade receivables	(288,814)	(13,226)
Trade receivables-net	1,880,343	314,069
Advances to suppliers	7,674,987	122,103
Other receivables	97,605	24,212
Allowance for doubtful other receivables	(145,427)	(16,090)
Other receivables-net	7,627,165	130,225
Total financial assets other than cash and cash equivalents and due from related parties classified as loans and receivables-current portion	9,507,508	444,294

	2007 €	2006 €
Total financial assets other than cash and cash equivalents and due from related parties classified as loans and receivables	9,507,508	444,294
Due from related parties	44,433	14,085
Cash and cash equivalents	373,817	548,979
Total financial assets classified as loans and receivables	9,925,758	1,007,358

As at 31 December, the ageing analysis of trade and other receivables is as followings:

	2007 €	2006 €
Neither past due nor impaired	7,624,046	228,648
Past due and partially impaired		
90-180 days	1,973,437	241,842
180-360 days	230,640	3,120
360-720 days	113,626	-
Total	9,941,749	473,610

All trade and other receivables are current, management considers the carrying amounts recognised in the balance sheet to be reasonable approximation of their fair value due to the short term duration.

14. Trade and other receivables (Continued)

Movement in allowance for doubtful trade and other receivables is as follows:

	2007	2006
	€	€
Balance at beginning of the financial year		
Allowance for the financial year		
Foreign exchange difference	(10,821)	(326)
Balance at end of financial year	434,241	29,316

15. Due from/ (to) related parties

These amounts are non-trade in nature, unsecured, interest free and repayable on demand.

16. Deferred income

	2007	2006
	€	€
Cost		
Balance at the beginning of financial year	956,555	-
Received during the year	-	967,206
Foreign exchange difference	(35,906)	(10,651)
Balance at the end of financial year	920,649	956,555
Accumulated amortization		
Balance at the beginning of financial year	7,971	-
Amortisation for the financial year	18,854	8,060
Foreign exchange difference	(740)	(89)
Balance at the end of financial year	26,085	7,971
Net carrying value		
Current	18,413	19,131
Non-current	876,151	929,453

Deferred income related to government grant received for acquisition of a piece of land to build the production line.

There are no unfulfilled conditions and contingencies attached to the grants.

17. Short-term loan

Short-term loan consists of the following:

	2007	2006
	€	€
Loans from bank		
Loans from others		
	932,792	487,021

As at 31 December 2007 and 2006, the average effective interest rates on these short-term loans were ranged from 11.125% to 11.016% per annum respectively.
Due to the short term duration, management considers the carrying amount of short term loan to be reasonable approximation of their fair value.

18. Trade and other payables

	2007	2006
	€	€
Trade payables	3,944,040	62
Advance from customers	319,672	154
Other tax payable	4,575,427	250,035
Other payable and accruals	358,438	13,017
Total financial liabilities, excluding short-term loan, due to related parties and income tax payable ,classified as financial liabilities	9,197,577	263,268

Other tax payable mainly consisted of VAT payable. Pursued to the notice issued by Dongying Urban District National Tax Bureau dated 13 June 2008, the VAT payable is permitted for a three-month delay payment starting from the issuance date.

	2007	2006
	€	€
Total financial liabilities, excluding short-term loan, due to related parties and income tax payable , classified as financial liabilities	9,197,577	263,268
Short-term loan	932,792	487,021
Due to related parties	1,002,076	83,006
Income tax payable	55,213	57,367
Total financial liabilities classified as other financial liabilities	11,187,658	890,662

The fair value of trade and other payables has not been disclosed as, due to their short term duration, management considers the carrying amounts recognised in the balance sheet to be reasonable approximation of their fair value.

19. Share capital

	2007 €	2006 €
Balance at beginning of the financial year	-	-
Increased during the financial year	946	-
Balance at the end of financial year	946	-

20. Reserves

(a) Consolidation reserve

Consolidation reserve represents the paid-up capital of Donying Photovoltaic Power Co., Ltd.

(b) Capital reserve

Capital reserve represents the additional paid-in capital by the pre-IPO investors.

(c) Statutory reserves

Statutory surplus reserve

According to the relevant PRC regulations and the Articles of Association of the Group, it was required to transfer 10% of its profit after taxation, as determined under PRC GAAP, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. Statutory surplus reserve can be used to make good previous periods' losses, if any, and may be converted into paid-in capital in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of the registered capital.

Statutory public welfare fund

According to the relevant PRC regulations and the Articles of Association of the Group, it was required to transfer 5% of its profit after taxation, as determined under PRC GAAP, to the statutory public welfare fund. The statutory public welfare fund is established for the purpose of providing employee facilities and other collective benefits to its employees.

(d) Retained earnings

The retained earnings reserve comprises the cumulative net gains and losses recognized in the consolidated income statement.

(e) Foreign currency translation reserve

The foreign currency translation reserve comprises the gains and losses arising on translating the net assets into EURO.

21. Commitments

Operating lease commitment

As at each of the balance sheet dates, the future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2007	**2006**
	€	**€**
Within one year	9,375	9,740
After one year but before five years	18,750	29,221
After five years	-	-
	28,125	38,961

22 Related parties

In addition to those related party information disclosed elsewhere in the financial statements, the following related parties have been identified:

Name of related party	**Relationship**
Dongying Jianxun Industrial Trading Co., Ltd.	Common legal representative

Directors' remuneration is disclosed in note 8. Amounts due from and to related parties are as follows:

	2007	**2006**
	€	**€**
Due from related parties-Non trade	44,433	14,085
Due to related parties-Non trade	1,002,076	83,006

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions during the financial years with related parties, all of which were negotiated at arms' length, were as follows:

	2007	2006
Operating lease expenses	**€**	**€**
Dongying Jianxun Industrial Trading Co., Ltd.	9,599	9,849

23. Financial instrument

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

23. Financial instrument (Continued)

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank borrowings

All financial assets are designated as loans and receivables (note 14) and all financial liabilities are measured at amortised cost.

General objective, polices and procedures

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Finance Director.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(a) Credit Risk

Credit risk arises principally from the Group's trade and other receivables.
The Group distinguishes its clients by two kinds of credit line. One is 100% credit and the other is nil credit. The

Group controls the credit risk from the clients of nil credit through prepayment before goods are transferred to them.
Trade and other receivables presented in the balance sheet are net of an allowance for doubtful receivables, estimated by management based on current economic conditions. The net of an allowance for doubtful receivable presents the Group's maximum exposure to credit risk.
Quantitative discloses of the credit risk in relation to trade and other receivables are disclosed in note 14.

(b) Liquidity Risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.
The Group's policy as regards liquidity is to ensure sufficient cash resources are maintained to meet short-term liabilities. To achieve this aim, the group improved receivables turnover ratios by requiring customers who do not pay within allowed credit terms, to pay interest on top of their debt. The Group also seeks to reduce liquidity risk by obtaining high credit ratings from banks. The Group has no any defaults or breaches on its financial liabilities.

23. Financial instrument (Continued)

General objective, polices and procedures (Continued)

(c) Interest rate risk

Interest rate risk arises from the potential changes in interest rates that may have an adverse effect on the Group in the current reporting period and in future years.
The Group is exposed to interest rate risk through the impact of change in interest rates on interest bearing debts and interest-bearing cash. Other than the bank deposits and borrowings, the Group has no other significant interest-bearing assets and liabilities. The Group's policy is to secure all to its borrowings at fixed borrowing rates.

(d) Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) and price of lead ingot (price risk).

(e) Price risk

The Group's balance sheet and income statement is exposed to the price of PV Cell, the main raw material used by the Group in its production process. The Group initiated negotiations with the trading companies who own wider scope of PV Cell suppliers and sign long-term corporation contracts, resulting in a linkage to the price of PV Cell, which effectively alleviated pressure arising from the increase in the raw material price by passing it on to the customer, by agreement.

(f) Capital

The Group considers its capital to comprise its ordinary share capital and accumulated retained earnings. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. The group has historically considered a mix of debt and equity funding as the most appropriate form of capital for the Group.

24. Post balance sheet event

There have no events between 31 December 2007 and 6 June 2008, that would require an adjustment to the carrying amount of the assets and liabilities or that would need to be disclosed.

22. SUPPLEMENTARY INFORMATION

As of the registration of the "*Offering Circular*", the Company was *société anonyme* regulated by Luxembourg law and regulations in force, as well as by the Company's by-laws.

22.1 Share capital

22.1.1 Amount of share capital

The share capital is composed of 4.660.000 shares of 0,10 € each, corresponding to a total amount of 466.000 euros.

22.1.2 Equity not representing capital

Nihil.

22.1.3 Treasury shares and shares repurchase

Nihil.

22.1.4 Potential capital

The Company will not announce or implement any capital increases, neither issue titles convertible into or exchangeable for shares of the Company or any instruments granting an option to purchase new issued shares of the Company without prior written consent of the listing sponsor and not under the IPO price.

However, by the end of 2009, the Company intends to make a public offering with the financial markets regulator's visa in view to raise more funds to support further growth plans.

22.1.5 Information concerning the conditions regulating acquisition rights or all bonds attached to subscribed, non-released capital or any company intending to increase share capital

Non applicable

22.1.6 Information concerning the share capital of any Group member subject to an option or a conditional or unconditional agreement stipulating that it should be subject to an option and details of said options (including the identity of persons to whom they relate)

CNPV pre IPO shareholders have granted an option to Riemann Investment Holding to purchase up to 3% of their own pre IPO number of shares, pro rata, at the IPO price per share.
The option is exercisable at the earliest 12 months and at the latest 24months after the company's shares have been admitted to trading on Alternext.

22.1.7 Changes in share capital

The table below highlights changes in the Company share capital since the incorporation.

DATES	Transaction	Capital increase	Nominal value	Premium	Number of shares issued	Total number of shares	Capital post transaction
11/07/2008	Creation	150.000 €	0,10 €	0 €	1.500.000	1.500.000	150.000 €
30/07/08	Contribution in kind	316.000€	0,10€	2,40€	3.160.000	4.660.000	466.000€
08/08/08	Capital increase	5 121 530.40€	0.10€	11.70€	434 028	5 094 028	509 402.80€

China Solar Photovoltaic SA (Luxembourg) is a holding company established for the purpose of the listing on Alternext, the former vehicle controlling 100% of China Solar Photovoltaic Group Ltd. (Hong Kong) and the said company helds 100% of Dongying photovoltaic Power Co., Ltd , the operating company in China .
On 30th July 2008 the shareholders of China Solar Photovoltaic Group Ltd. (Hong Kong) have contributed all their shares to China Solar Photovoltaic SA, on the basis of the consolidated net asset value of China Solar Photovoltaic Group Ltd amounting 7,9 M€.

22.2 By-laws

22.2.1 Company Object (article 3 of the By-laws)

The purpose of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies and any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, control and development of its portfolio.

The Company may further guarantee, grant loans or otherwise assist the companies in which it holds a direct or indirect participation or which form part of the same group of companies as the Company.

The Company may carry out any commercial, industrial or financial activities which it may deem useful in accomplishment of these purposes.

22.2.2 Form of the Shares (article 6 of the By-laws)

The shares of the Company may be in registered form or in bearer form or partly in one form or the other form, at the option of the shareholders subject to the restrictions foreseen by Law.
A register of registered shares will be kept at the registered office, where it will be available for inspection by any shareholder. This register will contain all the information required by article 39 of the Law. Ownership of registered shares will be established by inscription in the said register. Certificates of these inscriptions shall be issued and

signed by two directors or, if the Company as only one director, by this director.
The Company may issue certificates representing bearer shares. The bearer shares will bear the requirements provided for by article 41 of the Law and will be signed by two directors or, if the Company as only one director, by this director.
The signature may either be manual, in facsimile or affixed by mean of a stamp. However, one of the signature may be affixed by a person delegated for that purpose by the board of directors. In such a case, the signature must be manual. A certified copy of the deed delegating power for this purpose to a person who is not a member of the board of directors, must be filed in accordance with §§1 and two of the Law.
The Company will recognize only one holder per share; in case a share is held by more than one person, the persons claiming ownership of the share will have to name a unique proxy to present the share in relation to the Company. The Company has the right to suspend the exercise of all rights attached to that share until one person has been appointed as the sole owner in relation to the Company.

22.2.3 Amendment to Shareholder Rights

Any amendment to share rights shall be subject to legal requirements, since the Company's By-laws do not make any specific provisions.

22.2.4 General Shareholder Meetings (article 7 & 8 of the By-laws)

<u>Art. 7</u>: Any regularly constituted meeting of shareholders of the Company shall represent the entire body of shareholders of the Company. It shall have the broadest powers to order, carry out or ratify acts relating to the operations of the Company. In case the Company has only one shareholder, such shareholder exercises all the powers granted to the general meeting of shareholders.
The general meeting is convened by the board of directors. It may also be convoked by request of shareholders representing at least one tenth of the Company's share capital.

<u>Art. 8:</u> The annual general meeting of shareholders shall be held in Luxembourg at the registered office of the Company, or at such other place in Luxembourg as may be specified in the notice of meeting, on the third Thursday *of June at 5 p.m..* If such day is a legal holiday, the annual general meeting shall be held on the next following business day.
Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meeting.
The quorum and time required by Law shall govern the notice for and conduct of the meetings of shareholders of the Company, unless otherwise provided herein.
Each share is entitled to one vote. A shareholder may act at any meeting of shareholders by appointing another person as his proxy in writing, cable, telegram, telex or facsimile.
Except as otherwise required by Law, resolutions at a meeting of shareholders duly convened will be passed by a simple majority of those present or represented.
The board of directors may determine all other conditions that must be fulfilled by shareholders for them to take part in any meeting of shareholders.
If all of the shareholders are present or represented at a meeting of shareholders, and if they state that they have been informed of the agenda of the meeting the meeting may be held without prior notice or publication.
Decision taken in a general meeting of shareholders must be recorded in minutes signed by the members of the board (*bureau*) and by the shareholders requesting to sign. In case of a sole shareholder, these decisions are

recorded in minutes.

All shareholders may participate to a general meeting of shareholders by way of videoconference or by any other similar means of communication allowing their identification. These means of communication must comply with technical characteristics guaranteeing the effective participation to the meeting, which deliberation must be broadcasted uninterruptedly. The participation in a meeting by these means is equivalent to a participation in person at such meeting.

22.2.5 Statutory provisions affecting the occurrence of a change in control

As far as the Company is aware, there is no provision in the By-laws that can delay or prevent the Company undergoing a change in control.

23. SIGNIFICANT CONTRACTS

The Company has concluded the following significant contracts for the year 2007:

23.1 Sales Agreements:

1. On May 25th, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Qingdao Yuting International Trading Co., Ltd, contract ref. No: DG070525A, purchase quantity: 1900 units of 260 W solar modules, Price: RMB 16,761,420;
2. On May 1st, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Hebei Zhongshi New Energy Electronics and Equipment Co., Ltd, contract ref. No: DG070501A, purchase quantity: 2348 units of 200 W solar modules, Price: RMB 12,636,936;
3. On June 10th, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Dezhou Mingxin Science Research Co., Ltd, contract ref. No: DG070610A, purchase quantity: 1982 units of 170 W solar modules, Price: RMB 10,782,080;
4. On July 12th, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Qingdao Yuting International Trading Co., Ltd, contract ref. No: DG070712A, purchase quantity: 3125 units of 100 W solar modules, Price: RMB 10,000,000;
5. On May 3rd, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Nanjing Kaiyuan System Engineering Co., Ltd, contract ref. No: DG0700503A, purchase quantity: 2000 units of 160 W solar modules, Price: RMB 9,921,600;
6. On May 23rd, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Nanjing Kaiyuan System Engineering Co., Ltd, contract ref. No: DG0700523A, purchase quantity: 1900 units of 160 W solar modules, Price: RMB 9,603,360;
7. On August 2nd, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Baoding Wanhua New Energy Lightening Electronics Co., Ltd, contract ref. No: DG0700802B, purchase quantity: 2000 units of 150 W solar modules, Price: RMB 9,600,000;
8. On October 8th, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Baoding Wanhua New Energy Lightening Electronics Co., Ltd, contract ref. No: DG0701008A, purchase quantity: 1320 units of 69 W solar modules, Price: RMB 2,504,700;
9. On October 19th, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Beijing Tianyun Solar Technology Development Co., Ltd, contract ref. No: DG0701019B, purchase quantity: 1400 units of 56 W solar modules, Price: RMB 2,273,600;
10. On October 25th, 2007, a Sales Agreement on selling solar modules was signed by and between Dongying Photovoltaic Power Co., Ltd. and Beijing Tianheng Huayi Technology Development Co., Ltd, contract ref. No: DG0701025A, purchase quantity: 1728 units of 47 W solar modules, Price: RMB 2,192,832;

23.2 Purchase Agreements:

On September 1st, 2007, a Purchase Agreement on purchasing solar cells was signed by and between Dongying Photovoltaic Power Co., Ltd. and Hebei JA Solar Co., Ltd, purchase quantity: 108,000 units of 2.038 W solar cells, Price: RMB 4,123,440;
On October 25th, 2007, a Purchase Agreement on purchasing solar cells was signed by and between Dongying Photovoltaic Power Co., Ltd. and Wuxi Suntech Solar Power Co., Ltd, purchase quantity: 23,032 units of 1.95 W

solar cells, Price: RMB 808,423;

On May 16th, 2007, a Purchase Agreement on purchasing ultra-white weave toughened glass was signed by and between Dongying Photovoltaic Power Co., Ltd. and Tianjing Taiyue Glass Co., Ltd, purchase quantity: 6,550 units, Price: RMB 710,477;

On May 16th, 2007, a Purchase Agreement on purchasing EVA solar cells pastern film was signed by and between Dongying Photovoltaic Power Co., Ltd. and Hangzhou Fusite Co., Ltd, purchase quantity: 23,000 M2, Price: RMB 353,7403;

On April 26th, 2007, a Purchase Agreement on purchasing solar cells was signed by and between Dongying Photovoltaic Power Co., Ltd. and China Sunergy (Nanjing) Solar Co., Ltd, purchase quantity: 7,000 units of 125*125 mono-crystalline solar cells, Price: RMB 256,788;

On November 12th, 2007, a Purchase Agreement on purchasing solar cells was signed by and between Dongying Photovoltaic Power Co., Ltd. and Beijing Yihenghui Technology Development Co., Ltd, purchase quantity: 4,032 units of 156*156 poly-crystalline solar cells, Price: RMB 249,984;

On August 22nd, 2007, a Purchase Agreement on purchasing solar cells was signed by and between Dongying Photovoltaic Power Co., Ltd. and Changzhou Trina Solar Co., Ltd, purchase quantity: 6,400 units of 125*125 mono-crystalline solar cells, Price: RMB 217,536;

On May 16th, 2007, a Purchase Agreement on purchasing junction box was signed by and between Dongying Photovoltaic Power Co., Ltd. and Cixi Renhe Solar Electronics Co., Ltd, purchase quantity: 6,600 units, Price: RMB 197,472;

On February 2nd, 2007, a Purchase Agreement on purchasing aluminum frame profiled bar was signed by and between Dongying Photovoltaic Power Co., Ltd. and Wuxi Xixia Metals Material Co., Ltd, purchase quantity: 3,400 units, Price: RMB 185,138;

On April 25th, 2007, a Purchase Agreement on purchasing alloy belt and jointing adhesive was signed by and between Dongying Photovoltaic Power Co., Ltd. and Kunming Sanlite Technology Development Co., Ltd, purchase quantity: 410 Kg, Price: RMB 129,914;

24. INFORMATION FROM THIRD PARTIES, DICLARATIONS FILED BY EXPERTS AND DECLARATIONS OF INTEREST

Nihil.

25. PUBLICLY AVAILABLE DOCUMENTS

Copies of this Offering Circular are available at no cost from the Company headquarters, as well as on the Company website (www.cnpv-power.com)

25.1 Investor contact:

Name: Mr. Rising Qian
E-mail: risingqian@163.com
Website: www.cnpv-power.com

26. INFORMATION ON EQUITY INTERESTS

See Chapter 8