

Chairman's Statement 主席報告書

To Our Fellow Shareholders

On behalf of the board of Directors (the "Board"), I hereby present the annual results of China Solar Energy Holdings Limited (formerly known as REXCAPITAL International Holdings Limited) (the "Company") and its subsidiaries (together, the "Group") for the financial year ended 31 March 2006.

OPERATING RESULTS

During the year ended 31 March 2006, the Group recorded a turnover of HK\$12,354,000 (2005: HK\$3,769,000). The loss attributable to equity holders was HK\$95,506,000 (2005: loss of HK\$376,313,000).

The Board does not recommend the payment of a final dividend for the year ended 31 March 2006.

OUTLOOK

After the acquisition of 51% of a private U.S based solar photovoltaic (PV) company, Terra Solar Global, Inc. (Terra Solar), our group has been in the forefront of the next generation of PV technologies which are thin film PV. Terra Solar is a pioneer in the field of thin film PV technology and is most renowned for the commercialization of this technology. The manufacturing costs of thin films are half or a third of the cost of crystalline or polycrystalline silicon and indeed some of Terra Solar's factories have produced and delivered mega watt quantities of PV modules under U.S.\$2/watt.

Our group is involved with two specific thin films; Amorphous Silicon (a-Si) of which factories that were built by Terra Solar personnel over the past 15 years have produced over 75MW and these have been installed around the world. The next generation of thin film that we plan to commercialize is Copper, Indium, Gallium, Selenium (CIGS), this has an efficiency of approximately twice of a-Si, while its manufacturing cost is about the same per the same area as a-Si and this is what we believe will be the primary PV for the next decade in the PV industry.

致各股東

本人謹代表董事會(「董事會」)呈報華基光電能源控股有限公司(前稱御泰國際控股有限公司)(「本公司」)及其附屬公司(統稱「本集團」)於截至二零零六年三月三十一日止財政年度之業績。

經營業績

於截至二零零六年三月三十一日止年度,本集團錄得營業額12,354,000港元(二零零五年:3,769,000港元)。權益持有人應佔虧損為95,506,000港元(二零零五年:虧損376,313,000港元)。

董事會不建議派發截至二零零六年三月三十一日止年度末期股息。

前景

收購Terra Solar Global, Inc (Terra Solar, 一間私人美國太陽能光伏公司) 51%之股份後,本集團走在下一代光伏技術(即薄膜光伏)的最前端。Terra Solar乃薄膜光伏技術業之先鋒,以將其技術商品化最為著名。薄膜的製造成本是結晶矽或聚晶矽的一半或三分之一;誠然,若干Terra Solar工廠以每瓦特2美元的價格生產及提供瓦特容量的PV組模。

本集團主要生產兩種特別的薄膜:Terra Solar人員過去十五年內所建工廠已生產七十五兆瓦(百萬瓦特)之非晶形矽(a-Si),並且已於全世界裝配。本公司計劃商品化之下一代薄膜為銅、銦、鎘、硒(CIGS),其工效為a-Si的兩倍,而其製造成本於同一業務當中同價,因此本公司相信它是未來十年光伏市場的主要光伏。

The PV industry has been growing at better than 30% per annum, during the last 3 years at better than 40% per annum. It has primarily been based on crystalline and poly-crystalline silicon which represented about 95% of the industry. There is a world wide shortage of silicon feedstock and this makes the PV industry entirely an availability of product controlled industry. The industry could grow as much as 50% next year. Some forecasts predict that because of the shortage of crystalline and poly-crystalline silicon that the growth will be under 10%. And this gives our group an added great opportunity. In our case, we have the availability and the ability to build thin film PV manufacturing facilities; we have the ability to build capacity. Capacity for a-Si and capacity for CIGS. These modules are not limited, are not affected by the crystalline silicon shortage. As I mentioned earlier, they are of substantially lower costs and this opportunity we cannot miss.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my heartfelt appreciation to our shareholders, investors and business partners for their continued support and confidence in the Group. I would also like to thank the management team and all staff members for their devoted service and loyalty.

Last, but not least, I would like to thank my fellow directors who have offered invaluable advice and leadership over the year.

Dr Zoltan J. Kiss
Chairman

Hong Kong, 27 July 2006

光伏市場每年增長超過30%，於過去三年增長超過40%。業界當中以結晶矽及聚晶矽為主導，佔95%。全球矽原料出現短缺，令光伏工業完全成為產品控制業的後起之秀。來年光伏業有望增長50%。有分析家預料因結晶矽及聚晶矽出現短缺，其增幅將少於10%。這更為本公司提供另一個絕佳良機，就本公司而言，本公司擁有供應能力及能力以建設光伏薄膜製造設施；本公司有能力構建容量，a-Si容量及CIGS容量。此等組模並無限制，亦不受結晶矽的短缺所影響。如本人之前所述，該等原料成本極低，本公司定不能錯失良機。

致謝

本人謹藉此機會代表董事會，對各股東、投資者及業務夥伴在過去一年給予本集團不斷的支持和信任，深表謝意。同時，對於管理層及各員工對公司業務的熱誠投入及忠誠，特此致謝。

最後，在過去的一年，各董事在董事會內提供許多寶貴意見及顯示堅毅的領導，本人亦在此一併感謝。

主席
Dr Zoltan J. Kiss

香港，二零零六年七月二十七日