China Singyes Solar Technologies Holdings Limited
中國興業太陽能技術控股有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 750)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of Directors (the "Board") of China Singyes Solar Technologies Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2008	2007
	RMB'000	*RMB'000*
Revenue	**903,298**	604,688
Profit before tax	**117,137**	78,640
Income tax	**13,546**	8,244
Profits attributable to equity holders of the Company	**103,491**	70,296
Gross profit margin	**20.7%**	18.5%
Net profit margin	**11.5%**	11.6%
Earnings per share		
– Basic	**RMB0.281**	RMB0.191
– Diluted	**N/A**	RMB0.189

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2008	2007
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**903,298**	604,688
Cost of sales		**(716,258)**	(492,764)
Gross profit		**187,040**	111,924
Other income and gains		**1,558**	408
Selling and distribution costs		**(10,984)**	(7,624)
Administrative expenses		**(37,082)**	(24,022)
Finance costs		**(866)**	(1,396)
Other expenses		**(22,529)**	(650)
Profit before tax	*5*	**117,137**	78,640
Income tax	*6*	**(13,546)**	(8,244)
Profit for the year		**103,591**	70,396
Attributable to:			
Equity holders of the Company		**103,491**	70,296
Minority interests		**100**	100
		103,591	70,396
Earnings per share	*7*		
– Basic		**RMB0.281**	RMB0.191
– Diluted		**N/A**	RMB0.189

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December **2008** ***RMB'000***	 2007 *RMB'000*
Non-current assets			
Property, plant and equipment		**56,549**	40,677
Prepaid land lease payments		**834**	853
Prepayment for an available-for-sale equity investment		**–**	9,496
Available-for-sale equity investment		**8,885**	–
Total non-current assets		**66,268**	51,026
Current assets			
Inventories		**947**	628
Construction contracts		**59,101**	10,178
Trade receivables	*9*	**315,618**	280,606
Prepayments, deposits and other receivables	*9*	**35,120**	19,017
Amounts due from directors		**–**	89
Pledged deposits		**500**	19,758
Cash and cash equivalents		**71,440**	42,628
Total current assets		**482,726**	372,904
Current liabilities			
Trade payables	*10*	**36,407**	15,790
Construction contracts		**306**	–
Other payables and accruals	*10*	**49,426**	44,366
Interest-bearing bank and other borrowings		**10,000**	18,000
Tax payable		**14,498**	10,802
Amounts due to a director		**–**	36
Total current liabilities		**110,637**	88,994
Net current assets		**372,089**	283,910
Total assets less current liabilities		**438,357**	334,936
Non-current liabilities			
Interest-bearing bank and other borrowings		**–**	58,437
Total non-current liabilities		**–**	58,437
Net assets		**438,357**	276,499
Equity attributable to equity holders of the Company			
Share capital		**122**	117
Reserves		**432,133**	270,380
		432,255	270,497
Minority interests		**6,102**	6,002
Total equity		**438,357**	276,499

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda on 24 October 2003 as an exempted company with limited liability. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is Unit 3108, 31/F, China Merchant Towers, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The Group is principally engaged in the design, manufacturing, supply and installation of curtain walls. The Group's principal operations and market are in Mainland China.

Strong Eagle Holdings Ltd., which is incorporated in the British Virgin Islands, is the controlling shareholder of the Company.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standard Board (the "IASB") and International Accounting Standards ("IAS") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has adopted the following new interpretations and amendments to IFRSs for the first time for the current year's financial statements.

IAS 39 and IFRS 7 Amendments	Amendments to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*
IFRIC 11	*IFRS 2 – Group and Treasury Share Transactions*
IFRIC 12	*Service Concession Arrangements*
IFRIC 14	*IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The adoption of these new interpretations and amendments has had no financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

3. SEGMENT INFORMATION

The Group's revenue and profit for the year were mainly derived from curtain wall supply and installation services provided to domestic building construction works. The principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis by business and geographical segments is provided for the year.

4. REVENUE

Revenue, which is also the Group's turnover, represents an appropriate proportion of contract revenue of construction contracts and the value of services rendered, net of business tax and government surcharges; and the invoiced value of goods sold, net of value-added tax and government surcharges, and after allowances for returns and trade discounts.

An analysis of revenue is as follows:

	2008	2007
	RMB'000	*RMB'000*
Construction contracts	**822,452**	530,948
Sale of goods	**79,306**	72,777
Rendering of design services	**1,540**	963
	903,298	604,688

5. PROFIT BEFORE TAX

	2008	2007
	RMB'000	*RMB'000*
Cost of construction contracts and design services	**654,172**	434,365
Cost of inventories sold	**62,086**	58,399
Depreciation	**4,047**	2,504
Amortisation of prepaid land lease payments	**19**	19
Minimum lease payments under operating leases	**1,096**	376
Research costs	**3,930**	578
Auditors' remuneration	**1,115**	53
Staff costs (including directors' remuneration and pension funds contributions)	**19,516**	12,342
Impairment of trade and other receivables	**227**	357
Gain on disposal of property, plant and equipment	**–**	(30)
Transaction costs related to listing of existing shares	**21,728**	–
Exchange losses	**84**	202

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operate.

The Company is a tax exempted company registered in Bermuda and conducts substantially all of its business through its PRC subsidiaries.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived for or earned in Hong Kong during the year.

On 16 March 2007, the National People's Congress approved the PRC Corporate Income Tax ("CIT") Law (the "New CIT Law"), which became effective on 1 January 2008. The New CIT Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25%.

On 26 December 2007, the State Council promulgated "Guo Fa [2007] No. 39-Circular of the State Council on the Implementation of Transitional Preferential Enterprise Income Tax Policies":

(a) from 1 January 2008, for enterprises that enjoy a preferential tax rate of 15%, the tax rate will be transitioned to 25% over five years at rates of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012;

(b) from 1 January 2008, the enterprises that originally enjoyed the preference of regular tax reduction and exemption, will continue to enjoy the original preference in accordance with the preferential measures and terms stipulated by the original tax law, administrative regulations and relevant documents until the expiration of the preference; and

(c) the enterprises entitled to benefit from the transitional preferential policies referred to above shall be enterprises established prior to 16 March 2007 that are registered with an administrative authority such as the Administration of Industry and Commerce.

In accordance with the New CIT Law and Transitional Preferential Enterprise Income Tax policies, the Company's PRC subsidiaries, Zhuhai Singyes Curtainwall Engineering Co., Ltd. ("Zhuhai Singyes") and Zhuhai Singyes Renewable Energy Technology Co., Ltd. ("Singyes Renewable Energy"), are subject to CIT as follows:

Zhuhai Singyes

Zhuhai Singyes is registered in the Zhuhai Special Economic Zone and enjoyed a preferential tax rate of 15% before 2008. Pursuant to the documents "Zhu Xiang Guo Shui Han [2006] No. 2" issued by the Zhuhai Xiangzhou District Branch of the State Tax Bureau dated 6 January 2006, Zhuhai Singyes, as a production enterprise with foreign investment, is entitled to a full exemption from CIT for the first two years and a 50% deduction in CIT for the next three years, commencing from the first profitable year after offsetting all tax losses carried forward from the previous five years. The first profitable year of Zhuhai Singyes was 2005.

In this connection, Zhuhai Singyes was subject to CIT at a rate of 9% in 2008 and will enjoy the preferential tax rates of 10% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012.

On 16 December 2008, Zhuhai Singyes was awarded the certificate of High Technologies Enterprise (the "Certificate") by the Guangdong Science and Technology Department, Guangdong Provincial Finance Bureau, Guangdong Provincial Office of the State Administration of Taxation and the Guangdong Provincial Local Taxation Bureau, effective for three years from the date of issuance of the Certificate. In this connection, upon the finish of the entitlement to a 50% reduction in Corporate Income Tax Rate in 2009, the CIT rate for Zhuhai Singyes will be 15% in 2010.

Singyes Renewable Energy

Singyes Renewable Energy was established in October 2007 (after the approval date of the New CIT Law) and subject to the PRC CIT at a rate of 25% for 2008 without transition.

Pursuant to the New CIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from foreign investment enterprises established in the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax arrangement between the PRC and the jurisdiction of the foreign investors. On 22 February 2008, "Caishui [2008] No.1" was promulgated by the tax authorities to specify that dividends declared and remitted out of the PRC from the retained earnings as at 31 December 2007 are exempted from withholding tax. Pursuant to the resolution of the board of directors of Zhuhai Singyes on 19 December 2008, the net profit of Zhuhai Singyes for the year ended 31 December 2008, after appropriations to the reserve fund and the enterprise expansion fund and a fixed annual return of RMB100,000 to Mr. Liu Hongwei and Mr. Sun Jinli (note 29), will be used for business development of Zhuhai Singyes and will not be distributed to its shareholders. As a result, no deferred tax liabilities relating to withholding tax on the distributable profit of Zhuhai Singyes for the year ended 31 December 2008 have been recognised.

A reconciliation of the income tax expense applicable to profit before tax using the applicable income tax rate of Zhuhai Singyes to the income tax expense for the year is as follows:

	2008	2007
	RMB'000	*RMB'000*
Profit before tax	**117,137**	78,640
At the applicable income tax rate	**21,091**	11,796
Impact of higher income tax rates of subsidiaries	**–**	(8)
Effect of tax holiday	**(13,517)**	(8,244)
Expenses not deductible for tax	**5,972**	4,700
Income tax expense for the year	**13,546**	8,244

7. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to the ordinary equity holders of the Company of approximately RMB103.5 million (2007: RMB70.3 million), and the weighted average number of ordinary shares in issue during the year and the capitalization of share premium after the balance sheet date.

Diluted earnings per share

There were no dilutive potential ordinary shares in issue during the year ended 31 December 2008.

For the year ended 31 December 2007, the calculation of diluted earnings per share amounts is based on the profit attributable to equity holders of the Company, adjusted to reflect the interest on the convertible loans, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

8. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend (2007: nil).

9. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2008	2007
	RMB'000	*RMB'000*
Trade receivables	**318,678**	283,289
Less: impairment	**(3,060)**	(2,683)
	315,618	280,606

An aged analysis of the Group's trade receivables, based on invoice dates and net of impairment of trade receivables, is as follows:

	2008	2007
	RMB'000	*RMB'000*
Within 3 months	**228,478**	164,132
3 to 6 months	**52,635**	68,536
6 to 12 months	**16,266**	14,434
1 to 2 years	**16,907**	24,041
2 to 3 years	**1,320**	9,410
Over 3 years	**12**	53
	315,618	280,606

As at 31 December 2008, trade receivables contain the retention money receivable of RMB39.9 million (2007: RMB47.2 million).

	2008	2007
	RMB'000	*RMB'000*
Prepayments, deposits and other receivables		
Prepayment to subcontractors and suppliers	**5,104**	5,130
Deposits	**16,482**	12,591
Other receivables	**14,091**	2,003
Less: Impairment	**(557)**	(707)
	35,120	19,017

The carrying amounts of trade receivables, prepayments, deposits and other receivables approximate their fair values.

10. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2008	2007
	RMB'000	*RMB'000*
Trade and other payables		
Trade payables	**36,407**	15,790
Advances from customers	**6,930**	8,643
Tax and surcharge payables	**7,440**	26,918
Accrued expenses	**8,676**	4,741
Other payables	**26,380**	4,064
	85,833	60,156

The carrying amounts of trade payables, other payables and accruals approximate their fair values.

An aged analysis of the trade payables as at balance sheet date, based on the invoice dates, is as follows:

	2008	2007
	RMB'000	*RMB'000*
Within 3 months	**21,269**	8,254
3 to 6 months	**4,021**	2,048
6 to 12 months	**4,509**	1,478
1 to 2 years	**3,292**	1,957
2 to 3 years	**1,571**	1,177
Over 3 years	**1,745**	876
	36,407	15,790

11. POST BALANCE SHEET EVENTS

On 13 January 2009, the Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited following the completion of the initial public offering and placing of 60,000,000 shares and 366,495,498 shares were allotted to existing shareholders prior to listing, detail of which were set out in the prospectus of the Company dated 31 December 2008 (the "Prospectus").

The proceeds from the initial public offering amounting to approximately HK$63 million, before deducting listing expenses.

On 15 January 2009 and 20 February 2009, the Group entered into bank loan agreements amounting to RMB20 million and RMB25 million, respectively, for a period of one year with a bank in Mainland China. The bank loans are guaranteed jointly by Mr. Liu Hongwei and Mr. Sun Jinli and bear interest at a fixed rate of 5.31% per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

We are a professional building engineering company engaging principally in the design, fabrication and installation of conventional curtain walls. We also engage in the design, fabrication and installation of thin-film BIPV systems. Our BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. In addition, we also engage in the production and sale of solar-power products. Leveraging on our track record and wide spectrum of experiences from our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and solar-power products. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials.

Apart from that, on 27 March 2009, the Ministry of Finance promulgated the Interim Measures on the Use of Government Subsidies on Buildings Using the Solar Photovoltaic Technologies, which stipulates that a subsidy of RMB20 per Wp will be granted to the qualified demonstration projects for the application of buildings using the solar photovoltaic technologies, and articulates that priority support will be given to the application of photovoltaic technologies on public constructions, including school, hospital, and government building. The Company will endeavour to shift its focus from conventional curtain wall business to BIPV business and solar-power product business. In the long run, we aspire and strive to grow into an enterprise with a focus on renewable energy business.

Up to the date of this announcement, the Group also made the following achievements:

1) Award of Certificate of High Technologies Enterprise by Guangdong Science and Technology Department, Guangdong Provincial Finance Bureau, Guangdong Provincial Office of the State Administration of Taxation and Guangdong Provincial Local Taxation Bureau. In accordance with the new Corporate Income Tax Law, before obtaining the Certificate of High Technologies Enterprise, the Corporate Income Tax Rate for Zhuhai Singyes Curtain Wall Engineering Co., Ltd ("Zhuhai Singyes") will gradually be increased from 22% in 2010 to 25% in 2012. After obtaining the Certificate of High Technologies Enterprise, upon the finish of the entitlement to a 50% reduction in Corporate Income Tax Rate in 2009, the Corporate Income Tax Rate for Zhuhai Singyes is 15% in 2010.

2) The BIPV business of Zhuhai Singyes was recognized by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (the "MOHURD") as the priority contractor, only 86 companies were shortlisted and Zhuhai Singyes was the only shortlisted BIPV contractor.

FUTURE PLANS AND STRATEGIES

Leveraging on the strong position our Group has in the business of curtain wall engineering, we plan to further strengthen and develop our BIPV and solar-power product businesses. Our business strategies are set out as follows:

Focusing on public work projects, especially railway stations

We plan to undertake more public work related curtain wall engineering and BIPV projects, in particular, those for railway stations. Railway transportation has developed rapidly in China in recent years. Under the Eleventh Five-Year Plan, it is expected that the total investment in railway construction projects by the PRC government will be approximately RMB1.25 trillion between 2006 and 2010. This trend of capital investment by the PRC government in railway construction projects coupled with the government policies that encourage energy-saving products and the use of renewable energy will create opportunities for our conventional curtain wall and BIPV business. Based on the Mid-to-Long Term Railway Network Development Plan approved by the State Council, during 2006 to 2010, about 548 railway stations will be built or redeveloped. As at September 2007, about 15 railway stations had been built and 19 stations are in the process of construction while about 242 railway stations are in the process of project design. Our Directors believe that, given our Group's proven track record of engaging in railway station projects, our established relationship with state-owned developers and contractors and our strategic cooperation with Transportation Committee of the Management Association of Railway Enterprise of the PRC, our Group is able to secure more railway-related projects in the near future and introduce the use of BIPV and solar-power products in railway stations.

Strengthening our BIPV business and to further develop our solar-power product business

We intend to further strengthen our BIPV business by undertaking more BIPV projects. As the target customers of our BIPV projects largely overlap with those of our conventional curtain wall business, we can tap into the established networks of customers and subcontractors of our conventional curtain wall business to promote our BIPV business. We believe that the combination of our proven track record, our expertise, our strategic co-operation the Railway Enterprise Management Association, our technical know-how and experience in the curtain wall industry, our strength in BIPV business would position us well as we anticipate great development potential of BIPV projects in the coming years.

We intend to devote more research efforts in the development and design of new solar-power products in the near future in order to capture the growing market demand for solar-power products. Moreover, through the strategic cooperation with Weihei China, a supplier of thin-film PV panels and a company which we hold 13% equity interest, we aim to tap into its PRC and overseas customer base and distribution network to secure business for our BIPV systems and solar-power products and to seek overseas business opportunities.

Strengthening our research and development capabilities

We have been devoting significant research efforts and resources since 2005 in the research and development of BIPV systems and solar-power products and the use of thin-film BIPV panels in such areas. Given the fast-paced growth of the curtain wall industry, it is likely that competition in this industry will intensify. In order to maintain our competitive edge, we will continue to focus on strengthening our research and development capabilities. We will continue to research on BIPV related products and services and other solar-power products.

In December 2007, we entered into a cooperation framework agreement with Zhongshan University in the PRC. Pursuant to the cooperation framework agreement, we have set up a photovoltaic engineering research centre at the Technological College of Zhongshan University with research focus on areas including BIPV, independent/integrated-grid power generation systems using complementary wind and solar energy, and the feasibility study on the application of renewable energy on islands. Zhongshan University will cooperate with us to research on and develop the BIPV market and products by providing the relevant research facilities and technology. Zhongshan University will also provide free technological training to the staff of Singyes Renewable Energy. Under such cooperation framework agreement, the parties shall enter into a separate agreement for each particular research project in the aforesaid areas which will stipulate the party that will make capital contribution to the research project and that any intellectual property rights and research results shall be owned by the party who makes capital contribution to the research projects. Both parties are entitled to conduct further research based on the intellectual property rights and research results. Other than the aforesaid arrangements, there are no profit sharing arrangement. The term of the cooperation agreement is two years from 30 November 2007. We believe that the cooperation agreement will strengthen our research and development capabilities for our BIPV and solar-power product business.

We also entered into another technology development agreement with Zhongshan University on 3 June 2008. Under the agreement, Singyes Renewable Energy engaged Zhongshan University in the research and development of solar water pumping system with a capacity of 100W-2200W. We believe that the development of solar water pumping system could help us to explore the new market in the North-West part of the PRC for irrigation. It is costly for connecting power grid to such remote area and solar-power system is the best alternate energy resources in this region.

Seeking business opportunities outside the PRC

We began to provide services to our first overseas customers in June 2007. Up to the end of 2008, we have developed business relationship with customers in the overseas market, such as Singapore, the Mid-East Asia and Australia.

In order to create brand awareness in the overseas market, we have participated in and plan to participate more in various trade fairs and exhibitions in the PRC and overseas. Such trade fairs and exhibitions provide us with a platform to collate relevant market information and trends and provide us with the opportunity to meet with potential customers.

FINANCIAL REVIEW

Comparison with Prospectus

In the Prospectus dated 31 December 2008, the Company estimated its consolidated net profit attributable to equity holders of the Company for the year 2008 to be not less than RMB95.8 million. The actual consolidated profit attributable to equity holders for the year, amounting to approximately RMB103.5 million, which slightly exceeded the forecast.

Revenue

The following table set out the breakdown of revenue from construction contracts:

	2008	2007
	RMB million	*RMB million*
Construction contracts		
Conventional curtain walls		
– Public work	**380.4**	274.7
– Commercial and industrial buildings	**298.0**	210.3
– High-end residential buildings	**16.9**	13.7
	695.3	498.7
Building Integrated Photovoltaic ("BIPV") Systems		
– Public work	**113.4**	12.7
– Commercial and industrial buildings	**13.8**	19.5
	127.2	32.2
Total	**822.5**	530.9

	2008		2007	
	RMB million	**%**	*RMB million*	%
Gross profit and gross profit margin				
Engineering projects				
– Conventional curtain walls	**121.1**	**17.4**	84.3	16.9
– BIPV	**47.2**	**37.1**	12.2	37.9
	168.3	**20.5**	96.5	18.2
Sale of goods	**17.2**	**21.7**	14.4	19.8
Rendering of design services	**1.5**	**N/A**	1.0	N/A
Overall Gross Profit Margin	**187.0**	**20.7**	111.9	18.5

The Group's revenue increased year-on-year by RMB298.6 million from approximately RMB604.7 million in 2007 to approximately RMB903.3 million in 2008. This increase was mainly driven by:

1. The Group maintained its leading position in conventional curtain wall business and the revenue from conventional curtain wall business increased from approximately RMB498.7 million to approximately RMB695.3 million. We are a reputable curtain wall contractor in the PRC and the growth in current year was mainly contributed by the growth in public work projects, especially for construction of railway stations.

2. A substantial growth in BIPV business, our revenue from BIPV business increased from approximately RMB32.2 million in 2007 to approximately RMB127.2 million in 2008. We have introduced BIPV to the market in late 2007 and we have received very positive feedback from our customers. In 2008, we have over 10 BIPV projects and the revenue generated from BIPV jumped by nearly that 3 times than that of 2007. Our group would devote more resources in the research and development in BIPV in the future and we believe that the revenue from BIPV will continue to grow.

Gross profit and gross profit margin

The gross profit of the Group increased by approximately RMB75.1 million, or 67.1%, from approximately RMB111.9 million for 2007 to approximately RMB187.0 million for 2008

Despite the keen competition in the conventional curtain wall market, we could still maintain a similar gross profit margin of 17.4% in 2008. The capability of our engineering team and the reputation of our Group in the market allow us to win sizable projects with attractive prices.

We could capture a higher gross profit margin in BIPV business, the gross profit margin remain strong at 37.1% in 2008. In the future, our Group would invest further in research and development in order to maintain our competitive strength in BIPV, in order to capture a higher gross profit margin.

Other income and gains

Other income and gains mainly represented interest income from bank deposits and government grant. The growth in other income and gains in 2008 is because we received government grant of approximately RMB550,000 on rewarding our commitment to renewable energy area.

Selling and distribution costs

Selling and distribution costs increased by approximately RMB3.4 million or 44.7%, the increase in selling and distribution costs are in line with business growth.

Administrative expenses

Administrative expenses increased by approximately RMB13.1 million, or 54.6% when compare with 2007. It is in line with the growth in business of our Group.

Other expenses

Other expenses increased by approximately RMB21.9 million, it mainly included listing expenses. Our Company was listed on the Main Board of Stock Exchange on 13 January 2009, listing expenses incurred and related to then existing shareholders was charged to the Group's income statement. It included professional fees paid to reporting accountants, solicitors, property valuers and other promotion expenses.

Finance costs

The Group's finance costs dropped by 0.5million. Finance costs mainly included interest expense on bank loans. The drop in finance costs was mainly because of the drop in interest expense of bank loans. We have RMB18 million of bank loans as at 31 December 2007 and net repayment of RMB8 million was made in early 2008, the drop in bank loans was the reason for the decrease in finance costs.

Income tax

Income tax increased by approximately RMB5.3 million or 64.6% when compared with 2007. Effective tax rate of our Group increased from 10.5% in 2007 to 11.5% in 2008, it was because the corporate income tax rate for the Company's major operating subsidiary – Zhuhai Singyes Curtain Wall Engineering Co., Ltd increased from 7.5% to 9% after the implementation of the new corporate income tax law and transactional preferential enterprise income tax policies. Another reason for the increase in effective tax rate is because the Company incurred transaction costs related to list the existing shares amounted to approximately RMB21.7 million and charged to income statement for 2008, however, these transaction costs were not deductible for tax purposes.

Liquidity and financial resources

The Group's principal sources of working capital is the cash flow from operating activities and bank borrowings. The Group's strategy is to maintain the gearing ratio, calculated as the total bank and other borrowings as a percentage of total assets, at a healthy level in order to support the growth of our business. The Group's gearing ratio dropped from 18% in 2007 to 1.8% in 2008.

Improving current ratio

The current ratio being current assets over current liabilities, increased from 4.20 as at 31 December 2007 to 4.40 as at 31 December 2008.

Trade receivables/trade payables turnover days

Turnover days	**2008** **days**	2007 days
Trade receivables	**120**	138
Trade payables	**13**	12

Trade receivables turnover period is calculated based on the average of the beginning and ending balance of trade receivables, net of impairment, for the year divided by the revenue during the year and multiplied by the number of days during the year. Trade receivables turnover days improved slightly from 138 days in 2007 to 120 days in 2008. Trade payables turnover days was 13 days, which is similar with 2007.

Net cash position

The Group was at a net cash position at 31 December 2008 with cash and cash equivalents of RMB71.4 million and outstanding borrowings of RMB10.0 million.

Capital Expenditure

Capital expenditure of the Group for the year ended 31 December 2008 amounted to approximately RMB19.9 million, it mainly represented our investment on BIPV related equipment.

In 2007, capital expenditure amounted to approximately RMB20.7 million, it mainly represented construction work of our factory premises.

Borrowings and bank facilities

The outstanding borrowings comprised short-term bank loans of RMB10.0 million with an interest rate of 7.623% per annum.

As at 31 December 2008, the Group had another conditional facilities of RMB10 million, the use of which is subject to the bank's further approval.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. With the majority of the Group's business transacted in RMB, the aforesaid currency is defined as the Group's functional currency. The RMB is not freely convertible into foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and the financial assets and liabilities are also mainly denominated in RMB. The effect of the fluctuation in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore not significant and the Group has not entered into any hedging transactions in order to reduce the Group's exposure to foreign currency risk in this regard.

Credit risk

The carrying amounts of cash and cash equivalents, pledged deposits, trade and other receivables, investments and other financial assets represent our maximum exposure to credit risk in relation to financial assets. Substantially all of our cash and cash equivalents are held in major financial institutions located in Mainland China, which management believes are of high credit quality. We trade only with recognised and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. Moreover, as our exposure is spread over a diversified portfolio of customers, there is no significant concentration of credit risk.

Liquidity risk

We monitor its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. Our liquidity is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

Use of net proceeds from the Company's initial public offering

The Company was listed on the Stock Exchange on 13 January 2009. The net proceeds from the Company's issue of new shares (after deducting underwriting commission and related expenses) amounted to approximately HK$27.5 million (RMB23.8 million), which are intended to be applied in accordance with the proposed application set out in the relevant section as appeared in the Prospectus. Up to 31 March 2009, the uses of proceeds from initial public offerings were as follows.

	RMB'million
Project financing inside the PRC	9
Project financing for overseas projects	2
Research and development of BIPV and solar-related products	1
Corporate expenses	2.4
	14.4

Dividend

The Directors do not recommend the payment of a final dividend.

HUMAN RESOURCES

As at 31 December 2008, the Group had about 313 employees. Employee salary and other benefit expenses increased to approximately RMB19.5 million in 2008 from approximately RMB12.3 million in 2007, which represented an increase of 58.5%. This is because we have recruited a lot of tenants to meet the expansion of our Group in 2008 and the increase in salary level of our existing employees. The Group's remuneration policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from provident fund scheme (according to the provisions of Mandatory Provident Fund Schemes for Hong Kong employees) or the state-managed retirement pension scheme (for PRC employees) and medical insurance, discretionary bonus are also awarded to employees according to the assessment of individual performance.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries (the "Group") so as to achieve effective accountability. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). As the Shares of the Company were listed on the main board of The Stock Exchange of Hong Kong Limited on 13 January 2009 (the "Listing Date"), the Company was not required to comply with the required to comply with the requirements under the Code or the continuing obligations requirements of a listed issuer pursuant to the Listing Rules for the year ended 31 December 2008. Nevertheless the Directors consider that since the listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited on the Listing Date, the Company has applied the principles and complied with all the applicable code provisions set out in the Code since the Listing Date, except for the deviation from paragraph A.2 of the Code as described below.

Mr. Liu Hongwei, the Chairman of the Group, is responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. Mr. Liu Hongwei is also responsible for running the Group's business and effective implementation of the strategies of the Group. The Company is aware of the requirement under paragraph A.2 of the Code that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Nevertheless, the Board considers that the combination of the roles of Chairman and Chief Executive Officer will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. The Board is of the view that this structure provides the Group with strong and consistent leadership, which can facilitate the formulation and implementation of its strategies and decisions and enable it to grasp business opportunities and react to changes efficiently. As such, it is beneficial to the business prospects of the Group. Therefore Mr. Liu Hongwei is performing the roles of Chairman and Chief Executive Officer.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the listing day to the date of this announcement.

AUDIT COMMITTEE

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.4 of the Code. The primary duties of the Audit Committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The Audit Committee consists of the three independent non-executive Directors, and Mr. Yick Wing Fat, Simon is the Chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles adopted by the Group and the consolidated financial statements of the Group for the year ended 31 December 2008, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

PURCHASE, SALES AND REDEMPTION OF COMPANY'S SHARES

Shares of the Company were listed on the main board of The Stock Exchange of Hong Kong Limited on 13 January 2009 and the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year under review.

REVIEW OF RESULTS ANNOUNCEMENT

The results announcement has been reviewed by the Audit Committee and approved by the Board.

PUBLICATION OF RESULTS ANNOUNCEMENT

This annual results announcement is available for viewing on the websites of The Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk and the Company's website at http://www.zhsye.com, and the 2008 annual report of the Company contains all the information required by the Listing Rules will be despatched to shareholders and published in the respective websites of the Company and the Stock Exchange in due course.

By order of the Board
China Singyes Solar Technologies Holdings Limited
Liu Hongwei
Chairman

Hong Kong, 21 April 2009

As at the date of this announcement, the executive Directors are Mr. Liu Hongwei, Mr. Sun Jinli and Mr. Xie Wen, the non-executive Directors are Mr. Lin Xiaofeng and Mr. Shi Yu and the independent non-executive Directors are Mr. Wang Ching, Mr. Yick Wing Fat, Simon and Mr. Cheng Jinshu.