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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

The board of directors (the "Directors", collectively referred to as the "Board") of China Singyes Solar Technologies Holdings Limited (the "Company") is pleased to announce the interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 (the "Period").

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Revenue	**503,009**	374,571
Profit before tax	**63,476**	57,679
Income tax	**10,286**	5,515
Profits attributable to owners of the Company	**53,140**	52,114
Gross profit margin	**21.3%**	20.3%
Net profit margin	**10.6%**	13.9%
Earnings per share		
– Basic	**RMB0.125**	RMB0.142
Interim dividend per share proposed	**RMB 0.02**	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2009 RMB'000 (unaudited)	2008 RMB'000 (audited)
Revenue	*4*	**503,009**	374,571
Cost of sales		**(395,907)**	(298,482)
Gross profit		**107,102**	76,089
Other income and gains		**1,168**	457
Selling and distribution costs		**(6,966)**	(5,537)
Administrative expenses		**(31,453)**	(11,977)
Finance costs		**(4,454)**	(776)
Other expenses		**(1,921)**	(577)
Profit before tax	*5*	**63,476**	57,679
Income tax	*6*	**(10,286)**	(5,515)
Profit for the period		**53,190**	52,164
Other comprehensive income/(loss) for the period:			
Exchange differences on translation of foreign operations		**(71)**	938
Total comprehensive income for the period		**53,119**	53,102
Profit attributable to:			
Owners of the Company		**53,140**	52,114
Minority interests		**50**	50
		53,190	52,164
Total comprehensive income attributable to:			
Owners of the Company		**53,069**	53,052
Minority interests		**50**	50
		53,119	53,102
Dividend	*8*	**–**	–
Earnings per share attributable to ordinary owners of the Company			
– Basic	*7*	**RMB0.125**	RMB0.142

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2009 RMB'000 (unaudited)	31 December 2008 RMB'000 (audited)
Non-current assets			
Property, plant and equipment		**77,162**	56,549
Prepaid land lease payments		**1,188**	834
Intangible assets		**233**	–
Available-for-sale equity investment		**8,881**	8,885
Total non-current assets		**87,464**	66,268
Current assets			
Inventories		**2,489**	947
Construction contracts		**53,991**	59,101
Trade receivables	*9*	**371,348**	315,618
Prepayments, deposits and other receivables	*9*	**32,425**	35,120
Pledged deposits		**5,700**	500
Cash and cash equivalents		**149,354**	71,440
Total current assets		**615,307**	482,726
Current liabilities			
Trade payables	*10*	**36,331**	36,407
Construction contracts		**–**	306
Other payables and accruals	*10*	**44,718**	49,426
Interest-bearing bank loans		**65,000**	10,000
Income tax payable		**6,890**	14,498
Total current liabilities		**152,939**	110,637
Net current assets		**462,368**	372,089
Total assets less current liabilities		**549,832**	438,357
Non-current liabilities			
Deferred tax liability	*11*	**3,119**	–
Net assets		**546,713**	438,357
Equity attributable to owners of the Company			
Issued capital	*12*	**29,292**	122
Reserves		**502,169**	432,133
		531,461	432,255
Minority interests		**15,252**	6,102
Total equity		**546,713**	438,357

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2009

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.

In the opinion of the Directors, the ultimate holding company of the Company is Strong Eagle Holdings Ltd. ("Strong Eagle"), which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

The unaudited interim condensed financial information for the Period have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The unaudited interim condensed financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2008.

The interim financial statements have been prepared on a historical cost basis. The interim financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousands, except when otherwise indicated.

3. SEGMENT INFORMATION

The Group's turnover and profit for the Period 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.

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:

Revenue

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Construction contracts	**460,144**	327,559
Sale of goods	**42,704**	45,981
Rendering of design services	**161**	1,031
	503,009	374,571

5. PROFIT BEFORE TAX

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Cost of construction contracts and design services	**362,416**	262,406
Cost of inventories sold	**33,491**	36,076
Depreciation	**3,073**	1,185
Amortisation of prepaid land lease payments and intangible assets	**60**	9
Minimum lease payments under operating leases	**545**	425
Research costs	**7,763**	506
Auditors' remuneration	**653**	–
Staff costs (including directors' remuneration and pension funds contributions)	**11,889**	7,282
Reversal of provision for impairment of trade and other receivables	**(407)**	–
Gain on disposal of items of property, plant and equipment	**(6)**	–
Transaction costs related to listing of existing shares	**570**	–
Exchange losses/(gains)	**55**	(12)

6. INCOME TAX

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Current income tax – Mainland China	**7,167**	5,515
Deferred income tax	**3,119**	–
	10,286	5,515

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 has registered in Hong Kong as an overseas company. The Company 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 Period.

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 10% in 2009 and will enjoy the preferential tax rates of 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% 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. Under the Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate for dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is 5% if the Hong Kong enterprise owns at least 25% of the Mainland enterprise. As a result, deferred tax liabilities of RMB3,119,000 relating to withholding tax on the distributable profit of Zhuhai Singyes for the Period have been recognised.

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the Period attributable to ordinary owners of the Company, and the weighted average number of ordinary shares in issue during the Period and the capitalisation of share premium at the date of listing on the Stock Exchange.

The weighted average number of shares used to calculate the basic earnings per share for the period ended 30 June 2009 includes 366,495,498 shares issued upon exercise of allotment on 13 January 2009 in connection with the Company's initial public offering on the Stock Exchange. The weighted average number of shares in issue for the period ended 30 June 2008 has been retrospectively adjusted for comparison.

No diluted earnings per share amount are presented for the two periods ended 30 June 2009 and 2008 as no diluting events occurred during those periods.

8. DIVIDENDS

The Directors of the Company proposed an interim dividend of RMB0.02 per share (2008: nil). The interim dividend is intended to be declared through cancellation of an amount standing to the credit of the share premium account of the Company ("Capital Reduction") and transferring the credit arising from the Capital Reduction to the contributed surplus account of the Company. The Capital Reduction will be subject to shareholders' approval in a special general meeting of the Company.

9. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Trade receivables

	30 June 2009 *RMB'000* ***(unaudited)***	31 December 2008 *RMB'000* *(audited)*
Trade receivables	**374,408**	318,678
Less: impairment	**(3,060)**	(3,060)
	371,348	315,618

At 30 June 2009, trade receivables contain the retention money receivables of RMB66,981,000 (31 December 2008: RMB39,875,000).

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

	30 June 2009 RMB'000 (unaudited)	31 December 2008 RMB'000 (audited)
Within 3 months	**200,425**	228,478
3 to 6 months	**99,125**	52,635
6 to 12 months	**44,583**	16,266
1 to 2 years	**25,737**	16,907
2 to 3 years	**1,466**	1,320
Over 3 years	**12**	12
	371,348	315,618

	30 June 2009 RMB'000 (unaudited)	31 December 2008 RMB'000 (audited)
Prepayments, deposits and other receivables		
Prepayment to subcontractors and suppliers	**9,992**	5,104
Deposits	**12,572**	16,482
Other receivables	**8,985**	14,091
Deferred expenses	**1,026**	–
Less: Impairment	**(150)**	(557)
	32,425	35,120

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

10. TRADE AND OTHER PAYABLES AND ACCRUALS

Trade and other payables and accruals

	30 June 2009 *RMB'000* *(unaudited)*	31 December 2008 *RMB'000* *(audited)*
Trade payables	**36,331**	36,407
Advance from customers	**14,021**	6,930
Tax and surcharge payables	**20,845**	7,440
Accrued expenses	**1,451**	8,676
Other payables	**8,401**	26,380
	81,049	85,833

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

An aged analysis of the trade payables as at 30 June 2009 and 31 December 2008, based on the invoice dates, is as follows:

	30 June 2009 *RMB'000* *(unaudited)*	31 December 2008 *RMB'000* *(audited)*
Within 3 months	**19,235**	21,269
3 to 6 months	**3,124**	4,021
6 to 12 months	**4,616**	4,509
1 to 2 years	**5,043**	3,292
2 to 3 years	**1,593**	1,571
Over 3 years	**2,720**	1,745
	36,331	36,407

11. DEFERRED TAX LIABILITIES

Deferred tax liabilities refer to the withholding tax levied on the distributable profits of Zhuhai Singyes to Innofast Investments Ltd. for the Period as set out in note 6.

12. ISSUED CAPITAL

	30 June 2009	31December 2008
	US'000	*US'000*
	(unaudited)	*(audited)*
Authorized:		
1,200,000,000 ordinary shares of US$0.01 each	**12,000**	12,000
Issued and fully paid:		
428,000,000 (2008:1,504,502) ordinary share of US$0.01 each	**4,280**	15
Equivalent to RMB'000	**29,292**	122

During the Period, the movement in issued capital were as follows:

	Number of shares in issue	**Issued capital**
		RMB'000
At 1 January 2009	1,504,502	122
Capitalisation of share premium (unaudited)	366,495,498	25,066
Issuance of new shares (unaudited)	60,000,000	4,104
At 30 June 2009 (unaudited)	428,000,000	29,292

The Company was listed on the Main Board of the Stock Exchange on 13 January 2009. The initial public offering consisted of 426,495,498 newly issue shares, among which 60,000,000 shares were newly issued by the Company at a price of HK$1.05 each and 366,495,498 shares were allotted and issued, by way of capitalisation of the sum of US$3,664,954.98 from the share premium account to the then existing shareholder of the Company, whose names appeared in the register of the Company as at 31 December 2008, in proportion to their respective shareholdings.

13. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

(a) On 3 July 2009, the Group entered into a banking facilities agreement with a bank in Hong Kong. Pursuant to the agreement, the Company is granted loan facilities of HK$20 million and bear an interest rate at 3.5% per annum above Hong Kong Interbank Offered Rate and will be paid up by four consecutive half-yearly instalments from 12th month to 30th month from first drawndown date, 14 July 2009; Singyes Solar Technologies Engineering Co., Ltd. ("Singyes Engineering"), a wholly owned subsidiary of the Company, is granted trade facilities of HK$20 million. These facilities are guaranteed (i) jointly by Mr. Liu Hongwei and Mr. Sun Jinli; and (ii) crossly between the Company and Singyes Engineering.

(b) On 15 July 2009, the Company entered into the Placing Agreement with Strong Eagle and ICBC International Securities Limited (the "Placing Agent") and, pursuant to which the Placing Agent agreed to place on behalf of Strong Eagle, on a fully underwritten basis and Strong Eagle agreed to sell 63,000,000 existing Shares at a price of HK$3.40 per Share. The Placing Shares have been placed to not less than six Placees who are professional, and institutional and/or other investors. Completion of the placing took place on 21 July 2009. On 28 July 2009, the Company issued 63,000,000 new Shares under the general mandate, which were subscribed by Strong Eagle at the price of HK$3.40 per Share. The 63,000,000 existing shares represent approximately 14.72% of the issued share capital of the Company as at the date on which the general mandate was granted and approximately 12.83% of the issued share capital of the Company as enlarged by the subscription of new Shares by Strong Eagle.

(c) On 23 July 2009 (the "Adoption Date"), the Company granted share options to entitle the directors of the Company and selected employees of the Group to subscribe for a total of 25,680,000 ordinary shares with nominal value of US$0.01 per share at a exercise price of HK$4.30 per share. The share option will be valid and effective for a term of ten years commencing from the Adoption Date.

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. Our Group will endeavour to shift our 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.

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 conventional curtain wall engineering and BIPV projects, in particular, those for railway stations. Railway transportation has been developing 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. 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.

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 more extensive use of BIPV and solar-power products in railway stations.

During the period, we have 8 railway stations projects under construction and total revenue from railway station projects accounted for approximately 24% of our total revenue. While in the first half of 2008, we only had 3 railway station projects and it only contributed approximately 9% of our revenue.

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.

During the period, we have achieved a very satisfactory result in our BIPV business. Revenue contribution from BIPV accounted for approximately 20% of our total revenue, while in the first half of 2008, it only accounted for approximately 7% of our total revenue.

Strengthening our research and development capabilities

We have been devoting significant research efforts and resources since 2005 in the research 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 capabilities. We will continue to research on BIPV related products and services and other solar-power products.

In November 2007, we 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 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.

In June 2008, we entered into another technology research agreement with Zhongshan University. Under the agreement, Singyes Renewable Energy engaged Zhongshan University in the research of solar water pumping system with a capacity of 100W-2200W. We believe that the research 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.

In January 2009, we entered into a technology research agreement with Wuhan University. Under the agreement, our Group engaged Wuhan University in the research of standard module of the MW level solar power station. Apart from BIPV, solar power station will be another key development areas for down-stream solar energy companies. We believe that the research of standard module could help us to reduce cost and to solve various constraints during the installation process.

In May 2009, we entered into another technology research agreement with Zhongshan University. Our Group engaged Zhongshan University in the research of installation technique of poly-silicon. Such installation technique is specifically focus on the environment in the Western part of the PRC. We believe that the research of such technique could help us to reduce construction cost and be able explore market in Western part of the PRC where plenty of solar energy resources available.

We also entered into another technology research agreement with Hunan University in June 2009. Under the agreement, our Group engaged Hunan University in the research of wind-solar hybrid power control system. In certain area, it is practicable for installing wind power station and solar power station together. This system is to act as a platform to let the electricity generated from solar and wind in a balance and stable level, so that the user can ascertain a specific amount of electricity usage from renewable energy.

Seeking business opportunities outside the PRC

We began to provide services to our first overseas customers in June 2007. 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.

In current year, we have secured several sizable projects outside the PRC and they will start to make revenue contribution in the second half of 2009.

BUSINESS AND FINANCIAL REVIEW

Revenue

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

Construction contracts	Six months ended 30 June **2009** ***RMB million*** ***(unaudited)***	 2008 *RMB million* *(audited)*
Conventional curtain walls		
– Public work	**224.8**	144.7
– Commercial and industrial buildings	**120.3**	146.2
– High-end residential buildings	**14.6**	9.2
	359.7	300.1
Building Integrated Photovoltaic (“BIPV”) Systems		
– Public work	**84.8**	26.6
– Commercial and industrial buildings	**15.6**	0.9
	100.4	27.5
Total	**460.1**	327.6

Gross profit and gross profit margin	**Six months ended 30 June**			
	2009		2008	
Engineering projects	***RMB million***	***%***	*RMB million*	*%*
	(unaudited)		*(audited)*	
– Conventional curtain wall	**60.6**	**16.8**	55.1	18.4
– BIPV	**37.2**	**37.0**	10.0	36.4
	97.8	**21.3**	65.1	19.9
Sale of goods	**9.2**	**21.6**	10.0	21.5
Rendering of design services	**0.1**	**N/A**	1.0	N/A
Overall Gross Profit Margin	**107.1**	**21.3**	76.1	20.3

The Group's revenue increased year-on-year by RMB128.4 million from RMB374.6 million in 2008 to RMB503.0 million in 2009. The increase was mainly driven by the following factors:

1. The Group has been upholding its leading position in conventional curtain wall business and the revenue from conventional curtain wall business increased from RMB300.1 million to RMB359.7 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 the construction of railway stations.

2. Our BIPV business has seen a substantive growth. Revenue from BIPV business increased from RMB27.5 million in 2008 to RMB100.4 million in 2009. We firstly introduced BIPV to the market in late 2007 and we have received very positive feedback from our customers. In the first half of 2009, we had 11 BIPV projects under progress and the revenue generated from BIPV jumped by 265.1% compared with the first half of 2008; it was because we only obtained 1 BIPV project completed in the first half of 2008. 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 RMB31.0 million, or 40.8%, from RMB76.1 million for 2008 to RMB107.1 million for 2009.

Despite the keen competition in the conventional curtain wall market, we could still maintain a similar gross profit margin of 16.8% in 2009. The capability of our engineering team and the reputation of our Group in the market allow us to win sizable projects with attractive prices.

Gross profit margin of our BIPV business is relatively higher with the margin held well at the level of 37.0% during the first half of 2009. In the future, the Group would further invest in the research and development with a view to lifting gross profit margin and upholding our competitive edges in the realm of BIPV business.

Other income and gains

Other income and gains mainly represented interest income from bank deposits, repairs and maintenance income and government subsidy. During the period, we received approximately RMB110,000 from government to reward our commitment on solar energy.

Selling and distribution expenses

Selling and distribution expenses increased by RMB1.4 million or 25.5%, the increase in selling and distribution expenses are in line with business growth.

Administrative expenses

Administrative expenses increased by RMB19.5 million or 162.6% compared with the first half of 2008. During the period, total number of employee of our Group increasing from approximately 200 for the first half of 2008 to 460 in the first half of 2009, as such, total staff cost increased by approximately RMB3.7 million. During the period, to further enhance our capabilities in solar energy area, we entered 3 addition research agreements with universities in the PRC for solar energy related technologies, approximately RMB7.8 million was incurred. Furthermore, depreciation charges increased by RMB1.6 million when compared with the first half of 2008, this was because we acquired over RMB17.9 million of equipment in 2008 and which lifted up the depreciation charges in 2009. Except for the factors mentioned above, the increment in administrative expense was in line with business growth of the Group.

Other expenses

Other expenses increased by RMB1.3 million. Mainly spending on the listing expenses in the amount of approximately RMB570,000. Up to 30 June 2009, we have made necessary provision on listing expenses and no further material provision is expected in the second half of 2009.

Finance costs

The Group's finance costs increased by RMB3.7 million. It was mainly due to the increase in bank borrowings. Total bank borrowings amounted to RMB65 million as at 30 June 2009, while as at 30 June 2008, the Group only had RMB10 million of bank borrowings. Apart from that, approximately RMB3.5 million were incurred for arranging banking facilities with banks inside Mainland China.

Income tax

Income tax increased by RMB4.8 million or 87.3% when compared with the first half of 2008. Effective tax rate of our Group increased from 9.6% in for the first half of 2008 to 16.2% for the first half of 2009, it was because the corporate income tax rate for the Company's major operating subsidiary – Zhuhai Singyes Curtain Wall Engineering Co Ltd increased from 9% to 10% after the implementation of the new corporate income tax law, and the provision of 5% dividend withholding tax.

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 at a healthy level in order to support the growth of our business. Gearing ratio is derived by dividing total bank and other borrowings by total assets. The Group's gearing ratio at 30 June 2009 was 9.2%.

Strong current ratio

The current ratio being current assets over current liabilities, was 4.02 as at 30 June 2009.

Trade receivables/trade payables turnover days

Turnover days	**At 30 June 2009 (unaudited) Days**	At 31 December 2008 (audited) Days
Trade receivables	**124**	120
Trade payables	**17**	13

Trade receivables turnover period is calculated based on the average of the beginning and ending balance of trade receivables, net of impairment, for the period divided by the revenue during the period and multiplied by the number of days during the period. Trade receivables turnover days at 30 June 2009 was 124 days, which is similar to our Group's past operating record. Trade payables turnover days was 17 days, which is similar to 2008.

Net cash position

The Group was at a net cash position at 30 June 2009 with cash and cash equivalents of RMB149.4 million and outstanding borrowings of RMB65.0 million.

Capital Expenditures

Capital expenditures of the Group for the period ended 30 June 2009 amounted to approximately RMB24.4 million. They mainly represented addition in office equipment and constriction work of factor premise.

For the first half of 2008, capital expenditures amounted to approximately RMB18.7 million, they mainly represented our investment in BIPV equipment.

Borrowings and bank facilities

The outstanding borrowings comprised short-term bank loans of RMB65 million with effective interest rates ranging from 4.78% to 5.31%.

As at 30 June 2009, the Group had total banking facilities of RMB100 million and unutilised banking facilities amounted to RMB35 million. The unutilised banking facilities comprise RMB30 million of bank borrowing limit and RMB5 million limit for arranging trade financing.

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 the PRC, 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 the PRC and Hong Kong, 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 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 (approximately RMB23.8 million), which are intended to be applied in accordance with the proposed application set out in the section headed "Future Plans and Use of Proceeds" in the prospectus. Up to 30 June 2009, the uses of proceeds were as follows:

	RMB' million
Project financing	11.9
Research and development of BIPV and solar-related products	2.4
Acquisition of BIPV related equipment	2
Corporate expenses	2.4
Total	18.7

Dividend

The Directors of the Company proposed an interim dividend of RMB0.02 per share (2008: nil). The interim dividend is intended to be declared through cancellation of an amount standing to the credit of the share premium account of the Company ("Capital Reduction") and transferring the credit arising from the Capital Reduction to the contributed surplus account of the Company. The Capital Reduction will be subject to shareholders' approval in a special general meeting of the Company.

HUMAN RESOURCES

As at 30 June 2009, the Group had about 460 employees. Employee salary and other benefit expenses increased to approximately RMB11.6 million in first half of 2009 from approximately RMB7.1 million for first half 2008, which represented an increase of 63%. This is because we have recruited a lot of talents to meet the expansion of our Group in 2009 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 from 1 January 2009 to 12 January 2009. 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 period from 13 January 2009 to 30 June 2009.

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 Group's unaudited interim condensed financial information and interim results for the Period.

Purchase, sales and redemption of Company's listed securities

Shares of the Company were listed on 13 January 2009 and the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the period under review.

Publication of Results Announcement

This interim 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 2009 interim report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and published on the respective websites of the Company and the Stock Exchange of Hong Kong Limited in due course.

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

Hong Kong, 25 August 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.