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 2009

The board of directors (the "Director") 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 2009.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Revenue	**1,247,355**	903,298
Profit before tax	**181,511**	117,137
Income tax expense	**30,344**	13,546
Profits attributable to owners of the Company	**151,067**	103,491
Gross profit margin	**23.5%**	20.7%
Net profit margin	**12.1%**	11.5%
Earnings per share attributable to ordinary equity holders		
– Basic and diluted	**RMB0.333**	RMB0.281
Final dividend per share proposed	**0.03**	–
Interim dividend per share declared	**0.02**	–
Total dividends	**0.05**	–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2009 RMB'000	2008 RMB'000
Revenue	3	**1,247,355**	903,298
Cost of sales		**(953,920)**	(716,258)
Gross profit		**293,435**	187,040
Other income and gains		**6,162**	1,558
Selling and distribution costs		**(19,178)**	(10,984)
Administrative expenses		**(86,049)**	(37,082)
Finance costs		**(8,202)**	(866)
Other expenses		**(4,657)**	(22,529)
Profit before tax	4	**181,511**	117,137
Income tax expense	5	**(30,344)**	(13,546)
Profit for the year		**151,167**	103,591
Other comprehensive income/(loss) for the year:			
Exchange differences on translation of foreign operations		**(277)**	1,236
Total comprehensive income for the year		**150,890**	104,827
Profit attributable to:			
Owners of the Company		**151,067**	103,491
Minority interests		**100**	100
		151,167	103,591
Total comprehensive income attributable to:			
Owners of the Company		**150,790**	104,727
Minority interests		**100**	100
		150,890	104,827
Earnings per share attributable to ordinary equity holders	6		
– Basic and diluted		**RMB0.333**	RMB0.281

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2009	2008
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**110,808**	56,549
Prepaid land lease payments		**1,175**	834
Intangible assets		**222**	–
Prepayments in advance		**2,600**	–
Available-for-sale equity investment		**21,154**	8,885
Total non-current assets		**135,959**	66,268
Current assets			
Inventories		**8,674**	947
Construction contracts		**52,719**	59,101
Trade receivables	*8*	**560,169**	315,618
Prepayments, deposits and other receivables	*8*	**25,338**	35,120
Pledged deposits		**5,700**	500
Cash and cash equivalents		**337,236**	71,440
Total current assets		**989,836**	482,726
Current liabilities			
Trade payables	*9*	**73,755**	36,407
Construction contracts		**–**	306
Other payables and accruals	*9*	**59,443**	49,426
Interest-bearing bank loans		**79,402**	10,000
Income tax payable		**13,632**	14,498
Total current liabilities		**226,232**	110,637
Net current assets		**763,604**	372,089
Total assets less current liabilities		**899,563**	438,357
Non-current liabilities			
Interest-bearing bank loans		**53,207**	–
Deferred tax liabilities		**7,505**	–
Total non-current liabilities		**60,712**	–
Net assets		**838,851**	438,357
Equity attributable to owners of the Company			
Issued capital	*10*	**33,596**	122
Reserves		**775,223**	432,133
Proposed dividend		**14,730**	–
		823,549	432,255
Minority interests		**15,302**	6,102
Total equity		**838,851**	438,357

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 Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The Group is principally engaged in the design, manufacturing, supply and installation of Building Integrated Photovoltaic ("BIPV") systems, solar power station and curtain walls. The Group's principal operations and market are in Mainland China.

The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2009. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

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

IFRS 1 and IAS 27 Amendments	Amendments to IFRS 1 *First-time Adoption of IFRSs and IAS 27 Consolidated and Separate Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial instruments: Disclosures –Improving Disclosures about Financial Instruments*
IFRS 8	*Operating Segments*
IAS 1 (Revised)	*Presentation of Financial Statements*
IAS 18 Amendment*	Amendment *to Appendix to* IAS 18 *Revenue – Determine whether an entity is acting as a principal or as an agent*
IAS 23 (Revised)	*Borrowing Costs*
IAS 32 and IAS 1 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation and* IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
IFRIC 9 and IAS 39Amendments	Amendments to IFRIC 9 *Reassessment of Embedded Derivatives and* IAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
IFRIC 13	*Customer Loyalty Programmes*
IFRIC 15	*Agreements for the Construction of Real Estate*
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*
IFRIC 18	*Transfer of Assets from Customers (adopted from 1 July 2009)*
Improvements to IFRSs (May 2008)**	Amendments to a number of IFRSs

* Included in *Improvements to IFRSs 2009* (as issued in April 2009)

** The Group has adopted all improvements to IFRSs issued in May 2008 except for the amendments to IFRS 5 *Non-current assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*, which is effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of IAS 1 (Revised) and IFRS 8, the adoption of these new and revised IFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

IAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this revised standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expenses recognised directly in equity, either in one single statement, or in two linked statements. The Group has selected to present comprehensive income in one single statement.

IFRS 8, which replaces IAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. These revised disclosures, including the related revised comparative information, are shown in note 4 to the financial statements.

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 1 (Revised)	*First-time Adoption of International Financial Reporting Standards*[1]
IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters*[2]
IFRS 1 Amendment	Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative* IFRS 7 *Disclosures for First-time Adopters*[4]
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*[2]
IFRS 3 (Revised)	*Business Combinations*[1]
IFRS 9	*Financial Instruments*[6]
IAS 24 (Revised)	*Related Party Disclosures*[5]
IAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation-Classification of Rights Issues*[3]
IAS 39 Amendment	Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*[1]
IFRIC 14 Amendments	Amendments to IFRIC 14-*Prepayments of a Minimum Funding Requirement*[5]
IFRIC 17	*Distributions of Non-cash Assets to Owners*[1]

IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*[4]
Amendments to IFRS 5 included in *improvements to IFRSs* issued in May 2008	Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations-Plan to sell the controlling interest in a subsidiary*[1]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2010
[3] Effective for annual periods beginning on or after 1 February 2010
[4] Effective for annual periods beginning on or after 1 July 2010
[5] Effective for annual periods beginning on or after 1 January 2011
[6] Effective for annual periods beginning on or after 1 January 2013

Apart from the above, the IASB has issued *Improvements to IFRSs 2009* which sets out amendments to a number of IFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to IFRS 2, IAS 38, IFRIC 9 and IFRIC 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that except for the adoption of IFRS 3 (Revised), IAS 27 (Revised), IFRS 9 as further explained below, other new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

IFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

IAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures*.

The Group expects to adopt IFRS 3 (Revised) and IAS 27 (Revised) from 1 January 2010. The changes introduced by these revised standards must be applied prospectively and will affect the accounting of future acquisitions, loss of control and transactions with minority interests.

IFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace IAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of IAS 39.

3. SEGMENT INFORMATION AND REVENUE

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

The Group's revenue and contribution to profit for the year were mainly derived from curtain wall supply and installation service, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resources allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Entity-wide disclosures

Information about products and services

The following table sets forth the total revenue from external customers by product and service and the percentage of total revenue by product and service during the year:

	2009		2008	
	RMB'000	*%*	*RMB'000*	*%*
Construction contracts	**1,076,409**	**86.3**	822,452	91.0
Sale of goods	**170,453**	**13.7**	79,306	8.8
Rendering of design services	**493**	**–**	1,540	0.2
	1,247,355	**100**	903,298	100.0

Geographical information

(a) Revenue from external customers

	2009		2008	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	1,134,537	91.0	873,549	96.7
Outside Mainland China	112,818	9.0	29,749	3.3
	1,247,355	100.0	903,298	100.0

(b) Non-current assets

	2009		2008	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	117,242	86.2	66,268	100.0
Hong Kong	18,717	13.8	–	–
	135,959	100.0	66,268	100.0

Information about major customers

No revenue from a single external customer accounted for 10% or more of the Group's revenue during the year.

4. PROFIT BEFORE TAX

	2009	2008
	RMB'000	*RMB'000*
Cost of construction contracts and design services	**830,701**	654,172
Cost of inventories sold	**123,219**	62,086
Depreciation	**6,555**	4,047
Amortisation of prepaid land lease payments	**66**	19
Amortisation of intangible assets	**35**	–
Minimum lease payments under operating leases	**2,080**	1,096
Research costs	**10,054**	3,930
Auditors' remuneration	**2,552**	1,115
Staff costs (including directors' remuneration and pension funds contributions)	**28,329**	19,516
Equity-settled share option expense	**20,306**	–
Impairment of / (reversal of provision for impairment of) trade and other receivables	**(407)**	227
Transaction costs related to listing of then existing shares	**570**	21,728
Exchange losses	**81**	84

5. INCOME TAX

	Year ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Current income tax		
– Mainland China	**22,681**	13,546
– Hong Kong	**158**	–
Deferred	**7,505**	–
Total income tax charge for the year	**30,344**	13,546

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.

Hong Kong profits tax has been made based on 16.5% of the estimated assessable profits arising in or derived from 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 a rate 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"), Zhuhai Singyes Renewable Energy Technology Co., Ltd. ("Singyes Renewable Energy") and Zhuhai Singyes Marine Biology Technology Co., Ltd. ("Singyes Marine"), 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 CIT rate in 2009, the CIT rate for Zhuhai Singyes will be 15% in 2010.

Singyes Renewable Energy and Singyes Marine

Singyes Renewable Energy and Singyes Marine were established 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 Mainland and the 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 Mainland China resident enterprise to a Hong Kong resident enterprise is 5% if the Hong Kong enterprise owns at least 25% of the Mainland China enterprise. As a result, deferred tax liabilities of RMB7.5 million relating to withholding tax on the distributable profits of Zhuhai Singyes and Singyes Renewable for the year have been recognised.

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for the jurisdictions in which companies within the Group to the tax expense at the affective tax rates is as follows:

	2009	2008
	RMB'000	*RMB'000*
Profit before tax	**181,511**	117,137
At the applicable tax rates	**40,643**	21,091
Effect of tax holiday	**(20,927)**	(13,517)
Expenses not deductible for tax	**3,123**	5,972
Effect of witholding tax at 5% on the distributable profits of the Company's Mainland China subsidiaries	**7,505**	–
Tax charge at the Group's effective tax rate	**30,344**	13,546

6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares of 453,126,027 (2008: 367,978,444) in issue during the year and the capitalisation of share premium after the reporting period.

	2009	2008
	RMB'000	*RMB'000*
Profit attributable to ordinary equity holders of the Company	**151,067**	103,491

	Number of shares 2009	2008
Weighted average number of ordinary shares in issue during the year	**453,126,027**	367,978,444

The weighted average number of shares used to calculate the basic earnings per share for the year ended 31 December 2008 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 the Stock Exchange of HongKong Limited ("SEHK").

No diluted earnings per share amounts were presented for the years ended 31 December 2009 and 2008 as there were no potential ordinary shares outstanding during the year ended 31 December 2008 and the exercise price of the Company's outstanding share options was higher than the average market price for the Company's share during the period from the grant date of the share options to 31 December 2009.

7. DIVIDENDS

	2009 *RMB'000*	2008 *RMB'000*
Interim dividends paid of RMB0.02 per share (2008: nil)	**9,820**	–
Final dividends proposed of RMB0.03 per share (2008: nil)	**14,730**	–
	24,550	–

8. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2009 *RMB'000*	2008 *RMB'000*
Trade receivables	**563,229**	318,678
Less: impairment	**(3,060)**	(3,060)
	560,169	315,618

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

	2009 *RMB'000*	2008 *RMB'000*
Within 3 months	**342,947**	228,478
3 to 6 months	**121,795**	52,635
6 to 12 months	**74,232**	16,266
1 to 2 years	**19,435**	16,907
2 to 3 years	**1,626**	1,320
Over 3 years	**134**	12
	560,169	315,618

As at 31 December 2009, trade receivables contain retention money receivables of RMB70.1 million (2008: RMB39.9 million).

	2009 *RMB'000*	2008 *RMB'000*
Prepayments, deposits and other receivables		
Prepayment to subcontractors and suppliers	**4,871**	5,104
Deposits	**13,396**	16,482
Other receivables	**7,221**	14,091
Less: Impairment	**(150)**	(557)
	25,338	35,120

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

9. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2009 *RMB'000*	2008 *RMB'000*
Trade and other payables		
Trade payables	**73,755**	36,407
Advances from customers	**18,420**	6,930
Tax and surcharge payables	**28,216**	7,440
Accrued expenses	**3,353**	8,676
Other payables	**9,454**	26,380
	133,198	85,833

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

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2009	2008
	RMB'000	*RMB'000*
Within 3 months	**52,767**	21,269
3 to 6 months	**5,681**	4,021
6 to 12 months	**3,597**	4,509
1 to 2 years	**6,050**	3,292
2 to 3 years	**2,650**	1,571
Over 3 years	**3,010**	1,745
	73,755	36,407

10. ISSUED CAPITAL

	2009	2008
	US$000	*US$000*
Authorised		
1,200,000,000 ordinary shares of US$0.01 each	**12,000**	12,000
Issued and fully paid		
491,000,000 (2008: 1,504,502) ordinary share of US$0.01 each	**4,910**	15
Equivalent to RMB'000	**33,596**	122

During the year, the movements in issued capital were as follows:

		Number of shares in issue	Issued capital *RMB'000*
At 1 January 2008		1,435,295	117
Issuance of shares		69,207	5
At 31 December 2008 and 1 January 2009		1,504,502	122
Issuance of shares	*(a)*	60,000,000	4,104
Capitalisation of share premium	*(a)*	366,495,498	25,066
Issuance of shares	*(b)*	63,000,000	4,304
At 31 December 2009		491,000,000	33,596

(a) The Company was listed on the SEHK on 13 January 2009. The initial public offering consisted of 428,000,000 shares, among which 60,000,000 shares were newly issued by the Company and 368,000,000 shares were offered by the existing shareholders, among which an aggregate of 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.

(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. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

We are a professional renewable energy system integrator and building contractor, our main businesses are the design, fabrication and installation of BIPV systems; solar power station; other solar energy products and energy-saving curtain wall. Our BIPV system and solar power station 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. Our system allow the electricity generated from solar panels to be connected to the power grid of a building and the electricity generated from sun power will be consumed simultaneously. No extra electricity storage cost is required. In addition, we also engage in the production and sale of solar-power products, such as solar street lamp, solar water pumping system and solar desalination system. Leveraging on our track record and extensive experiences in 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 continue our focus to solar business. In the long run, we aspire and strive to grow into an enterprise with a focus on renewable energy business.

In the meantime, we will still maintain our presence in conventional curtain wall business, especially in the public sector, in order to further broaden our customer base for our BIPV and solar power station business.

FUTURE PLANS AND STRATEGIES

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

Focus on public work projects, especially railway stations

We plan to undertake more public work related to 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, the 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.

Revenue from railway continues to be our stable source of revenue. During the year, we had 14 railway stations projects completed or under construction and total revenue from railway station projects accounted for approximately 15.6% of our revenue from engineering projects.

Strengthen our BIPV and solar power station business and to further develop our solar power product business

We plan 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 have been continuing our investment in the research and development on solar energy products since 2007, including solar water pumping system, solar desalination system, solar street lamp and solar thermal system, some of which have been successfully commercialized during the year. We believe that solar energy will become one of our important revenue sources in the future.

In order to continue our commitment in investment in solar energy area, during the year, we have acquired additional 20% equity interest in Weihei China, one of the major suppliers of our thin-film PV panels. We can secure our supply of materials under a competitive price. And it also enable the Group to enhance its understanding on the supply chain and upstream solar market through closer co-operation relationship with major supplier.

During the year, we have achieved a very satisfactory result in our BIPV and solar power station business. Revenue contribution from BIPV and solar power station business accounted for approximately 24.9% of our total revenue (2008: 14.1%).

We have also successfully commercialized various solar energy products, such as solar water pumping system, solar street lamp and solar thermal system. Our Group also act as a sourcing agent and solar energy consultant to our customers. Our services include solar energy system design, raw material sourcing and procurement. Revenue from these businesses accounted for approximately 5.7% of our revenue (2008: 0.5%).

In aggregate, solar related business contributed approximately 30.6% of our total revenue in 2009. (2008: 14.6%).

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 fastpaced 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 January 2009, we entered into a technology research agreement with Wuhan University of Technology. Under the agreement, the Group engaged Wuhan University of Technology 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 can 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 following setting up of a photovoltaic engineering research centre at the Technological College of Zhongshan University. Our Group engaged Zhongshan University in the research of installation technique of poly-silicon. Such installation technique specifically focuses on the environment in the Western part of the PRC. We believe that the research of such technique can help us to reduce construction cost and be able explore market in Western part of the PRC where solar energy resources is abound.

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.

Seek for business opportunities outside the PRC

We have begun 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.

Revenue contribution from overseas business, including BIPV, conventional curtain wall and sale of materials, accounted for approximately 9.0% of our revenue (2008: 3.3%).

BUSINESS AND FINANCIAL REVIEW

Revenue

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

Construction contracts	Year ended 31 December **2009** ***RMB' million***	 2008 *RMB' million*
Conventional curtain walls		
– Public work	**396.3**	380.4
– Commercial and industrial buildings	**286.9**	298.0
– High-end residential buildings	**82.8**	16.9
	766.0	695.3
BIPV and solar power station		
– Public work	**158.5**	113.4
– Commercial and industrial buildings	**118.2**	13.8
– High-end residential buildings	**33.7**	–
	310.4	127.2
Total Construction Contracts	**1,076.4**	822.5
Sale of goods		
– Curtain wall materials	**98.9**	74.6
– Solar related goods	**71.6**	4.7
Total sale of goods	**170.5**	79.3
Rendering of design services	**0.5**	1.5
Total revenue	**1,247.4**	903.3

The Group's revenue increased year-on-year by RMB344.1 million from RMB903.3 million in 2008 to RMB1,247.4 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 RMB695.3 million to RMB766.0 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 and solar power station business has seen a substantive growth. Revenue from BIPV and solar power station business increased from RMB127.2 million in 2008 to RMB310.4 million in 2009. We involved in over 20 BIPV and solar power station projects in 2009 (2008: 14). Despite the keen competition, we could maintain a relative strong gross profit margin at 37.2%.

   Apart from public projects, we also extended our BIPV and solar power station business network into commercial and residential areas. Revenue from commercial and residential areas accounted for over 40% of the BIPV revenue in 2009 (2008: 10.8%).

3. Revenue from sale of goods increased from RMB79.3 million to RMB170.5 million. Sale of goods included sale of conventional curtain wall materials and sale of renewable energy products and materials.

   Apart from engineering projects, we also helped our local and overseas customers to source and procure BIPV and conventional curtain wall materials, we also perform design and fabrication services for curtain wall unit structure to our customers. Revenue from design and fabrication of curtain wall unit structure increased by RMB24.3 million to RMB98.9 million in 2009.

   We also made significant achievement in renewable energy products in 2009. We have started our research and development in renewable energy product in year 2007. After years of product and market research, we have successfully launched different kind of renewable energy products into the market, including solar water pumping system, solar street lamp and solar thermal system. Revenue contribution from renewable energy products amounted to RMB71.6 million in 2009 (2008: RMB4.7 million).

Gross profit and gross profit margin	**2009**		2008	
	RMB million	***%***	*RMB million*	*%*
Engineering projects				
– Conventional curtain walls	**130.2**	**17.0**	121.1	17.4
– BIPV and solar power station	**115.6**	**37.2**	47.2	37.1
	245.8	**22.8**	168.3	20.5
Sale of goods				
– conventional curtain materials	**21.7**	**21.9**	15.8	21.2
– solar related goods	**25.5**	**35.6**	1.4	29.8
	47.2	**27.7**	17.2	21.7
Rendering of design services	**0.4**	**N/A**	1.5	N/A
Overall Gross Profit Margin	**293.4**	**23.5**	187.0	20.7

The gross profit of the Group increased by RMB106.4 million, or 56.9%, from RMB187.0 million for 2008 to RMB293.4 million for 2009.

Despite the keen competition in the conventional curtain wall market, we could still maintain a similar gross profit margin of 17.0% 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 and solar power station business is relatively higher with the margin held well at the level of 37.2% in 2009 (2008: 37.1%). 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 increased by RMB4.6 million or 295.5% in 2009. It was mainly due to the receipt of government subsidy of RMB2.2 million during the year. Other income also included RMB2.4 million of material processing income.

Selling and distribution costs

Selling and distribution costs increased by RMB8.2 million or 74.6%. It was because of the increase in business volume and the increase in the effort in marketing and promotion of the Group's image and products. It also due to the increase in man power and hence more staff costs were recorded in selling and distribution costs.

Administrative costs

Administrative costs increased by RMB49.0 million or 132.1%. There are several factors for the increment.

Firstly, total number of staff of our Group increasing from approximately 300 at the end of December 2008 to over 600 at the end of 2009, total staff cost increased by approximately RMB6.1 million compared with 2008. Apart from cash reward, we also granted 25.6 million of options to directors and staffs in order to retain our talents, total share option expense recognized in 2009 amounted to approximately RMB20.3 million.

During the year, to further enhance our commitment in renewable energy area, we have invested approximately RMB10 million in researching solar energy products, most of them are through co-operating agreement with famous universities inside Mainland China.

Other expenses

Other expenses dropped by approximately RMB17.9 million. In 2008, RMB21.7 million of listing expense was recognized as other expenses while the amount recognized in 2009 was RMB0.6 million. It was the major reason for the drop in other expenses.

Finance costs

Finance costs increased by RMB7.3 million. Total bank loans increased by RMB122.6 million. We are planning to expand our business overseas and to expand our current operating scale, therefore, we have requested additional RMB132.6 million of bank loans from banks in Hong Kong and Mainland China during the year.

Income tax

	2009	2008
	RMB'000	*RMB'000*
Current income tax		
–Mainland China	**22,681**	13,546
–Hong Kong	**158**	–
–Deferred	**7,505**	–
	30,344	13,546

Income tax increased by RMB16.8 million. Effective tax rate of our Group increased from 11.6% in 2008 to 16.7% in 2009. The operating 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. The increment is also caused by 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 loans by total assets. The Group's gearing ratio at 31 December 2009 was 11.8%.

Strong current ratio

The current ratio being current assets over current liabilities, was 4.4 as at 31 December 2009.

Trade receivables/trade payables turnover days

Turnover days	**At 31 December 2009** ***Days***	At 31 December 2008 *Days*
Trade receivables	**128**	120
Trade payables	**21**	13

Trade receivables turnover days 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 at 31 December 2009 was 128 days, which is similar to our Group's past operating record. Trade payables turnover days is calculated based on the average of the begining and ending balance of trade payables for the year divided by the cost of sales during the year, was 21 days. The increase in both trade receivables and trade payables turnover days was because relatively higher revenue incurred in the forth quarter in 2009.

Net cash position

The Group was at a net cash position at 31 December 2009 with cash and cash equivalents of RMB337.2 million and outstanding bank loans of RMB132.6 million.

Capital Expenditures

Capital expenditures of the Group for the year ended 31 December 2009 amounted to approximately RMB61.1 million. They mainly represented addition in solar-related machinery, office building and constriction work of factory premise.

In 2008, capital expenditures amounted to approximately RMB19.9 million, they mainly represented our investment in BIPV equipment.

Borrowings and bank facilities

The outstanding borrowings comprised short-term bank loans of RMB132.6 million with effective interest rates ranging from 3.6% to 5.31%.

As at 31 December 2009, the Group had total banking facilities of RMB235.2 million. We also issued performance bonds amounted to RMB40.7 million. The remaining banking facilities comprise of RMB39.3 million of bank borrowing limit and RMB22.6 million limit for arranging trade financing.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the HK$ and US$ exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Group's equity.

	Increase/ (decrease) in foreign currency rate %	Increase/ (decrease) in profit before tax RMB'000
2009		
If RMB weakens against HK$	**5**	176
If RMB strengthens against HK$	**(5)**	(176)
If RMB weakens against US$	**5**	3,026
If RMB strengthens against US$	**(5)**	(3,026)

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 31 December 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	7.1
Corporate expenses	2.4
Total	23.8

Dividend

The Directors of the Company proposed a final dividend of RMB0.03 per share (2008: nil). The Company also declared an interim dividend of RMB0.02 per share (2008: nil).

Closure of register of members

The register of members will be closed from 24 May 2010 to 25 May 2010, both days inclusive. In order to qualify for the recommended final dividend for the purpose of ascertaining the members' entitlement to the attendance of the forthcoming annual general meeting of the Company, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, namely Tricor Investor Services Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 20 May 2010.

HUMAN RESOURCES

As at 31 December 2009, the Group had about 617 employees. Employee salary and other benefit expenses increased to approximately RMB28.3 million in 2009 from approximately RMB19.5 million in 2008, which represented an increase of 45.1%. 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"). The Directors consider that for the year ended 31 December 2009, the Company has applied the principles and complied with all the applicable code provisions set out in the Code, 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 for the year ended 31 December 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.

Review of Financial Statements

The financial results for the year ended 31 December 2009 have been reviewed with no disagreement by the Audit Committee of the Group. This preliminary results announcement has been agreed by the Group's Auditor.

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 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 annual 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, 26 March 2010

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. Cao Zhirong and the independent non-executive Directors are Mr. Wang Ching, Mr. Yick Wing Fat, Simon and Mr. Cheng Jinshu.