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 2010

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 2010.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2010	2009
	RMB'000	*RMB'000*
Revenue	**1,782,447**	1,247,355
Profit before tax	**281,474**	181,511
Income tax expense	**64,976**	30,344
Profits attributable to owners of the Company	**216,419**	151,067
Gross profit margin	**24.5%**	23.5%
Net profit margin	**12.1%**	12.1%
Earnings per share attributable to ordinary equity holders		
– Basic and diluted	**RMB0.441**	RMB0.333
Final dividend per share proposed	**RMB0.03**	RMB0.03
Interim dividend per share declared	**–**	RMB0.02
Total dividends	**RMB0.03**	0.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2010	2009
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**1,782,447**	1,247,355
Cost of sales		**(1,344,865)**	(953,920)
Gross profit		**437,582**	293,435
Other income and gains		**7,716**	6,162
Selling and distribution costs		**(29,485)**	(19,178)
Administrative expenses		**(113,667)**	(86,049)
Finance costs		**(14,121)**	(8,202)
Other expenses		**(6,551)**	(4,657)
Profit before tax	*4*	**281,474**	181,511
Income tax expense	*5*	**(64,976)**	(30,344)
Profit for the year		**216,498**	151,167
Other comprehensive loss			
Exchange differences on translation of foreign operations		**(548)**	(277)
Total comprehensive income for the year		**215,950**	150,890
Profit attributable to:			
Owners of the Company		**216,419**	151,067
Non-controlling interests		**79**	100
		216,498	151,167
Total comprehensive income attributable to:			
Owners of the Company		**215,871**	150,790
Non-controlling interests		**79**	100
		215,950	150,890
Earnings per share attributable to ordinary equity holders of the Company – Basic and diluted	*6*	**RMB0.441**	RMB0.333

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2010	2009
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**267,270**	110,808
Prepaid land lease payments		**34,027**	1,175
Intangible assets		**550**	222
Prepayments in advance		**26,411**	2,600
An available-for-sale equity investment		**31,174**	21,154
Total non-current assets		**359,432**	135,959
Current assets			
Inventories		**18,761**	8,674
Construction contracts		**72,234**	52,719
Trade receivables	*8*	**795,237**	560,169
Prepayments, deposits and other receivables	*8*	**43,139**	25,338
Equity investment at fair value through profit or loss		**3,044**	–
Pledged deposits		**30,978**	5,700
Cash and cash equivalents		**414,203**	337,236
Total current assets		**1,377,596**	989,836
Current liabilities			
Trade and bills payables	*9*	**73,986**	73,755
Other payables and accruals	*9*	**82,122**	59,443
Interest-bearing bank loans		**299,730**	79,402
Income tax payable		**21,018**	13,632
Total current liabilities		**476,856**	226,232
Net current assets		**900,740**	763,604
Total assets less current liabilities		**1,260,172**	899,563
Non-current liabilities			
Interest-bearing bank loans		**177,173**	53,207
Deferred tax liabilities	*10*	**19,899**	7,505
Total non-current liabilities		**197,072**	60,712
Net assets		**1,063,100**	838,851
Equity attributable to owners of the Company			
Issued capital	*11*	**33,589**	33,596
Reserves		**995,403**	775,223
Proposed final dividend		**14,727**	14,730
		1,043,719	823,549
Non-controlling interests		**19,381**	15,302
Total equity		**1,063,100**	838,851

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 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, and conventional curtain walls, as well as the manufacture and sale of solar power product. 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 Limited ("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 ("IASs") 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, except for certain equity investments, which have been measured at fair value. 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 2010. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. 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 intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Changes in accounting policy and disclosures

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

IFRS 1 (Revised)	*First-time Adoption of International Financial Reporting Standards*
IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters*
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
IFRS 3 (Revised)	*Business Combinations*
IAS 27 (Revised)	*Consolidated and Separate Financial Statements*
IAS 39 Amendment	Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
IFRIC 17	*Distributions of Non-cash Assets to Owners*
Amendments to IFRS 5 included in *Improvements to IFRSs* issued in October 2008	Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to IFRSs (April 2009)*	Amendments to a number of IFRSs

* The Group has adopted all the *Improvements to IFRSs* issued in April 2009 which are applicable to its operations.

Other than as further explained below regarding the impact of IFRIC 17, the adoption of the new and revised IFRSs has had no significant financial effect on these financial statements.

IFRIC 17 *Distributions of Non-cash Assets to Owners*

IFRIC 17 clarifies that (i) a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; (ii) an entity should measure the dividend payable at the fair value of the net assets to be distributed; and (iii) an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss.

Issued but not yet effective international financial reporting standards

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

IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* [1]
IFRS 1 Amendment	Amendment to IFRS 1 *First-time Adoption of IFRSs – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* [2]
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments* [2]
IAS 24 (Revised)	*Related Party Disclosures* [3]
IFRIC 14 Amendments	Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement* [3]
IFRS 7 Amendments	Amendments to *IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets* [4]
IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of IFRSs – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters* [4]
IAS 12 Amendments	Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [5]
IFRS 9	*Financial Instruments* [6]

Apart from the above, the IASB has issued *Improvements to IFRSs 2010* in May 2010 which sets out amendments to a number of IFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to IFRS 3 and IAS 27 are effective for annual periods beginning on or after 1 July 2010 while the amendments to IFRS 1, IFRS 7, IAS 1, IAS 34 and IFRIC 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard or interpretation.

1 Effective for annual periods beginning on or after 1 February 2010
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 July 2011
5 Effective for annual periods beginning on or after 1 January 2012
6 Effective for annual periods beginning on or after 1 January 2013

Further information about these changes, which are expected to significantly affect the Group, is as follows:

IAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significant influenced by the same government. The Group expects to adopt IAS 24 (Revised) from 1 January 2011.

While the adoption of the revised standard will result in changes in the accounting policy, the revised standard is unlikely to have any impact on the related party disclosures as the Group is not a government entity.

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.

In October 2010, the IASB issued additions to IFRS 9 to address financial liabilities (the "Additions") and incorporated in IFRS 9 the current derecognition principles of financial instruments of IAS 39. Most of the Additions were carried forward unchanged from IAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

It is expected that IAS 39 will be replaced by IFRS 9 in its entirety. Before this entire replacement, the guidance in IAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt IFRS 9 from 1 January 2013.

Improvements to IFRSs 2010 issued in May 2010 sets out amendments to a number of IFRSs. The Group expects to adopt all these amendments from 1 January 2011. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies and additional disclosures, none of these amendments are expected to have a significant financial impact on the Group.

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:

	2010		2009	
	RMB'000	*%*	*RMB'000*	*%*
Construction contracts	**1,324,734**	**74.3**	1,076,409	86.3
Sale of goods	**455,641**	**25.6**	170,453	13.7
Rendering of design services	**2,072**	**0.1**	493	–
	1,782,447	**100.0**	1,247,355	100.0

Geographical information

(a) Revenue from external customers

	2010		2009	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	**1,741,430**	**97.7**	1,134,537	91.0
Outside Mainland China	**41,017**	**2.3**	112,818	9.0
	1,782,447	**100.0**	1,247,355	100.0

(b) Non-current assets

	2010		2009	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	**341,418**	**95.0**	117,242	86.2
Hong Kong	**18,014**	**5.0**	18,717	13.8
	359,432	**100.0**	135,959	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

	2010	2009
	RMB'000	*RMB'000*
Cost of construction contracts and design services	**1,003,797**	830,701
Cost of inventories sold	**341,068**	123,219
Depreciation	**10,435**	6,555
Amortisation of prepaid land lease payments	**245**	66
Amortisation of intangible assets	**111**	35
Minimum lease payments under operating leases	**3,678**	2,080
Research costs	**9,899**	10,054
Auditors' remuneration	**2,980**	2,552
Staff costs (including directors' remuneration and pension contributions)	**55,005**	28,329
Equity-settled share option expense	**19,323**	20,306
Reversal of provision for impairment of trade and other receivables	**–**	(407)
Transaction costs related to listing of then existing shares	**–**	570
Exchange losses, net	**3,276**	81

5. INCOME TAX EXPENSE

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

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in Bermuda and the British Virgin Islands.

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

The provision for PRC Corporate Income Tax ("CIT") is based on the respective CIT rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the year.

The major components of income tax expense for the year are as follows:

	2010	2009
	RMB'000	*RMB'000*
Current-Mainland China		
– Charge for the year	**52,582**	22,681
Current – Hong Kong		
– Charge for the year	**–**	158
Deferred	**12,394**	7,505
Total tax charge for the year	**64,976**	30,344

In accordance with the PRC Corporate Income Tax Law (the "New CIT Law") approved by the National People's Congress on 16 March 2007, except for Zhuhai Singyes Green Building Technology Co., Ltd. ("Zhuhai Singyes"), which is further explained below, the Group's subsidiaries in Mainland China are subject to CIT at a rate of 25%.

Zhuhai Singyes

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, the CIT rate for Zhuhai Singyes was 15% in 2010.

As at 31 December 2010, deferred tax liabilities of RMB12,394,000 (2009: RMB7,505,000) regarding withholding income tax on the undistributed earnings (future dividend) of Zhuhai Singyes and Zhuhai Singyes Renewable Energy Technology Co., Ltd. ("Singyes Renewable Energy") have been provided for (note 10).

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:

	2010	2009
	RMB'000	*RMB'000*
Profit before tax	**281,474**	181,511
At the applicable tax rates	**49,405**	40,643
Effect of tax holiday	–	(20,927)
Expenses not deductible for tax	**3,177**	3,123
Effect of witholding tax at 5% on the distributable profits of the Group's Mainland China subsidiaries	**12,394**	7,505
Tax charge at the Group's effective tax rate	**64,976**	30,344

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 490,940,000 (2009: 453,126,027) in issue during the year.

	2010	2009
	RMB'000	*RMB'000*
Profit attributable to ordinary equity holders of the Company	**216,419**	151,067

	Number of shares	
	2010	2009
Weighted average number of ordinary shares in issue during the year	**490,940,000**	453,126,027

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2010 and 2009 in respect of a dilution as 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 2010.

7. DIVIDENDS

	2010	2009
	RMB'000	*RMB'000*
Interim – Nil (2009: RMB2 cents) per ordinary share	**–**	9,820
Proposed final – RMB3 cents (2009: RMB3 cents) per ordinary share	**14,727**	14,730
	14,727	24,550

8. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2010	2009
	RMB'000	*RMB'000*
Trade receivables	**798,297**	563,229
Less: impairment	**(3,060)**	(3,060)
	795,237	560,169

An aged analysis of the trade receivables as at the end of the reporting period, based on invoice date and net of provision, is as follows:

	2010	2009
	RMB'000	*RMB'000*
Within 3 months	**498,806**	342,947
3 to 6 months	**203,928**	121,795
6 to 12 months	**64,517**	74,232
1 to 2 years	**26,923**	19,435
2 to 3 years	**1,063**	1,626
Over 3 years	**–**	134
	795,237	560,169

As at 31 December 2010, trade receivables contained retention money receivables of RMB97.7 million (2009: RMB70.1 million).

	2010	2009
	RMB'000	*RMB'000*
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	**19,864**	4,871
Deposits	**17,806**	13,396
Other receivables	**5,619**	7,221
Less: Impairment	**(150)**	(150)
	43,139	25,338

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

9. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS

	2010	2009
	RMB'000	*RMB'000*
Trade and bills payables	**73,986**	73,755
Advances from customers	**13,316**	18,420
Tax and surcharge payables	**56,193**	28,216
Accrued expenses	**5,488**	3,353
Other payables	**7,125**	9,454
	156,108	133,198

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

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

	2010	2009
	RMB'000	*RMB'000*
Within 3 months	**33,190**	52,767
3 to 6 months	**17,097**	5,681
6 to 12 months	**5,952**	3,597
1 to 2 years	**7,989**	6,050
2 to 3 years	**4,627**	2,650
Over 3 years	**5,131**	3,010
	73,986	73,755

10. DEFERRED TAX LIABILITIES

The movements of deferred tax liabilities are as follows:

	Withholding taxes	**Total**
	RMB'000	*RMB'000*
At 1 January 2009	–	–
Deferred tax charged to profit or loss during the year *(note 5)*	7,505	7,505
At 31 December 2009	7,505	7,505
Deferred tax charged to profit or loss during the year *(note 5)*	12,394	12,394
At 31 December 2010	19,899	19,899

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 China 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 RMB12,394,000 relating to withholding tax on the distributable profits of Zhuhai Singyes and Singyes Renewable Energy for the year have been recognised.

11. ISSUED CAPITAL

	2010	2009
	US$'000	*US$'000*
Authorised		
1,200,000,000 ordinary shares of US$0.01 each	**12,000**	12,000
Issued and fully paid		
490,900,000 (2009: 491,000,000) ordinary share of US$0.01 each	**4,909**	4,910
Equivalent to RMB'000	**33,589**	33,596

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

	Number of shares in issue	Issued capital *RMB'000*
At 1 January 2009	1,504,502	122
Issuance of shares	60,000,000	4,104
Capitalisation of share premium	366,495,498	25,066
Issuance of shares	63,000,000	4,304
At 31 December 2009 and 1 January 2010	491,000,000	33,596
Redemption of shares	(100,000)	(7)
At 31 December 2010	490,900,000	33,589

On 27 May 2010, the Company redeemed 100,000 of its own ordinary shares on the Stock Exchange of Hong Kong Limited at a price of HK$3.35 per share. Those redeemed shares were cancelled and accordingly, the issued share capital of the Company was reduced by the nominal value of these redeemed shares. The premium paid on the redemption of shares of RMB287,000 was debited to the share premium account.

12. EVENTS AFTER THE REPORTING PERIOD

On 6 January 2011, the Group received a notice in respect of government subsidy of the 20MW roof top solar farm project in Hunan Singyes with total amount of RMB 134,850,000, of which RMB50,000,000 has been received by the Group on 19 January 2011.

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 conventional curtain walls and 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. 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, including smart grid system, prefabricated solar houses, solar thermal system and solar street lamp. 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

Expansion of operating scale to meet future business growth

We acquired a land in Hunan in 2010 for the construction of our new factory premises. The construction work has substantially been completed till now and the new plant will commence operation in the second quarter of this year. Total capital expenditure incurred in respect of the Hunan new factory in 2010 was approximately RMB129 million.

We will construct a 20MW solar farm on the roof top of our new Hunan plant, this 20MW roof top solar farm was the largest project under the Golden Sun program announced in November 2010. The Directors believed that this is a significant achievement of the Group's solar business and the Group will continue its leading position in solar downstream area. As the Mainland China Government will continue to make significant investment to support renewable business, the Directors are optimistic about the future business growth.

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 Twelfth Five-Year Plan, the PRC government will continue to make substantial investment for the construction of high speed railway. 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, the Group is able to secure more railway-related projects in the near future.

Revenue from railway continues to be our stable source of revenue. During the year, we had 23 railway stations projects completed or under construction and total revenue from railway station projects accounted for approximately 19.4% of our revenue from construction contacts.

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 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 a number of solar panel manufacturers, we aim to tap into their 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 year, we have achieved a very satisfactory result in our BIPV business. Revenue contribution from BIPV accounted for approximately 31.4% of our total revenue, while in 2009, it only accounted for approximately 24.9% of our total revenue.

Apart from that, we also secured additional 23MW roof top solar power stations from the Golden Sun program announced in November 2010. While 20MW is the roof top project on our Human new factory and the remaining one is an external customer.

We started to sell solar related goods in the second half of 2009, revenue from solar related goods significantly increaed from RMB71.6 million in 2009 to RMB193.7 million in 2010. In 2009, 72% of the sale in solar related goods was from BIPV related materials, and the remaining 28% were mainly derived from solar street lamp and water pumping system.

In 2010, we launched a variety of new products and the most successful product was solar thermal system. In 2010, BIPV materials accounted for about 18% of the revenue from solar related goods, the remaining 82% comprised of solar street lamp, solar thermal system and other products. Solar thermal system is the major revenue driver in this sector.

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.

In January 2010, we entered into a technology research agreement with School of Mechanical & Automotive Engineering, South China University of Technology ("SCUT"). Under the agreement, our Group engaged SCUT in the research of the application of solar-thermal system and commercializing relevant products. SCUT is specifically focusing on the research and development of thermal controlling system. Provided with the professional knowledge of SCUT, we believe that it can help us to improve the quality of our existing products, to solve constraints during the production process and most importantly, to develop new solar-thermal related products.

In January 2010, we entered into a cooperation agreement with Green Building and New Energy Research Center of Tongji University. Under the agreement, we cooperated around the research of building energy saving and new energy technology. We would also set up a joint laboratory, declare technology programs, and establish application test platform for solar buildings.

During the year, we also entered into another cooperation agreement with Guangzhou Energy Research Lab of the Chinese Academy of Sciences (the "CAS"). Under co-operation agreement, the Group will closely work with the CAS on the remote monitoring system for smart grid network and the research and development of energy management system.

Our commitment on research and development in new renewable energy was well rewarded.

Firstly, the smart grid project of the Group at Dong' ao Island in Zhuhai, which combines wind power generation, solar power generation, diesel fuel power generation and energy storage (i.e. a wind-solar-diesel fuel power and storage system) was in trial operation.

After the successful of the trial operation of the smart grid project on Dong'ao Island, the use of renewable energy in Dong'ao Island will be increased to 70%, this is a breakthrough of new energy generation on island. This state-of-the-art resolution system can apply not only on islands, but also in villages, rural area and regions with no grid network. The Directors expect that the smart grid will become an important application of renewable energy in China as well as in the rest of the World.

Secondly, we have introduced a new product called pre-fabricated solar power house in 2010 and we have secured a contract worth US$13 million in Nigeria, the concept of smart grid technologies also applied to this project. We believed that the combination of smart grid technologies and pre-fabricated solar power house perfectly suit the need of remote area in Africa and the western area of Mainland China.

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 2010, we have secured a sizable project in Doha, Qatar with contract value of approximately US$17.7 million and another project with total contact value of US$13 million to supply smart grid technologies and pre-fabricated solar power house to Nigeria. The award of these contracts is a land mark for the Group's overseas project development, we are optimistic about our future business in the overseas market.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	Year ended 31 December	
	2010	2009
	RMB' million	*RMB' million*
Conventional curtain walls		
– Public work	**403.3**	396.3
– Commercial and industrial buildings	**270.3**	286.9
– High-end residential buildings	**90.3**	82.8
	763.9	766.0
BIPV		
– Public work	**300.1**	158.5
– Commercial and industrial buildings	**260.7**	118.2
– High-end residential buildings	**–**	33.7
	560.8	310.4
Total Construction Contracts	**1,324.7**	1,076.4
Sale of goods		
– Curtain wall materials	**261.9**	98.9
– Solar related goods	**193.7**	71.6
Total sale of goods	**455.6**	170.5
Rendering of design services	**2.1**	0.5
Total revenue	**1,782.4**	1,247.4

Gross profit and gross profit margin	**2010**		2009	
	RMB million	***%***	*RMB million*	*%*
Construction contracts				
– Conventional curtain walls	**120.8**	**15.8**	130.2	17.0
– BIPV	**200.8**	**35.8**	115.6	37.2
	321.6	**24.3**	245.8	22.8
Sale of goods				
– conventional curtain materials	**51.6**	**19.7**	21.7	21.9
– solar related goods	**63.0**	**32.5**	25.5	35.6
	114.6	**25.2**	47.2	27.7
Rendering of design services	**1.4**	**N/A**	0.4	N/A
Overall gross profit margin	**437.6**	**24.6**	293.4	23.5

The Group's revenue increased year-on-year by RMB535.0 million or 42.9%, from RMB1,247.4 million in 2009 to RMB1,782.4 million in 2010. Gross profit of the Group increased by RMB144.2 million or 49.1%, from RMB293.4 million in 2009 to RMB437.6 million in 2010, the increase in gross profit is proportionately higher than the increase in revenue in 2010, it was because the revenue contribution from BIPV and solar related businesses became higher in 2010.

1) The Group's conventional wall business slightly dropped by RMB2.1 million or 0.3%. The Group is now shifting its focus to BIPV and solar related business and the management of the Group did not aggressively allocating resources to expand its business in the conventional curtain wall business.

   Nevetheness, we still maintain a leading position in railway station area, we involved in 23 railway station projects and the revenue contribution from railway related business in 2010 was RMB256.5 million, which accounted for about 33.6% of the total revenue in conventional curtain walls.

   Gross profit from conventional wall businesses dropped slightly from RMB130.2 million to RMB120.8 million, because the Group is shifting its focus from conventional wall businesses to solar related businesses. Gross profit margin also dropped slightly from 17% in 2009 to 15.8% in 2010.

2) We have continuously achieved significant growth in our BIPV business in 2010, revenue from BIPV increased by RMB250.4 million or 80.7%, from RMB310.4 million to RMB560.8 million. The significant growth revenue is noted in both public and commercial area, BIPV revenue from public work increased by RMB141.6 million or 89.3% while revenue from commercial area increased 121% to RMB260.7 million. In the past few years, the Mainland China goverment launched a number of policies to simulate the application of solar and our BIPV business recorded a very high growth rate. We believe that the Mainland China government will continue its aggressive plan in supporting down stream solar application and the Group will continue to be the winner in this area.

   Gross profit for BIPV business increased by RMB85.2 million or 73.7%, from RMB115.6 million in 2009 to RMB200.8 million in 2010. During the year, we have been involved in 32 BIPV projects and the gross margin maintained at a relatively high level at 35.8%.

3) Sales of goods increased by 167%, from RMB170.5 million in 2009 to RMB455.6 million in 2010. Sale of goods comprise sale of conventional curtain wall materials and sale of solar related goods.

   Sale of conventional curtain wall materials increased by RMB163.0 million or 165%. We are changing our marketing strategies and now we are more focusing on developing the material sale market, in order to spare more skilled workers for BIPV installation. Therefore, sale of conventional curtain wall materials recorded a significant growth. The gross profit from sale of conventional curtain wall materials increased by RMB29.9 million or 138%, from RMB21.7 million to RMB51.6 million. Gross profit margin in 2010 was 19.7% (2009: 21.9%).

   Sale of solar related goods increased by RMB122.1 million or 170%. In 2009, sale of solar related goods mainly comprise sale of BIPV materials. Other solar products, like solar street lamp and solar thermal system were still in initial testing and development stage and little revenue was recorded. In 2010, solar thermal system and solar street lamp became our revenue driver for sale of solar related goods. Total revenue from solar thermal system and solar street lamp in 2010 was RMB124 million and RMB34 million, respectively. At the same time, demand for BIPV related materials maintained stable. Overall gross profit from sale of solar related goods also increased by RMB37.5 million or 147%, from RMB25.5 million to RMB63 million.

   The directors of the Group believed that solar related goods will be the next important revenue driver. In 2010, apart from solar street lamp and solar thermal system, we also successfully completed the research and development of solar air-conditioning system, pre-fabricated solar powered houses and smart grid system. We have already secured a contract in Nigeria which worth US$13 million to supply pre-fabricated solar powered house with the concept of smart grid technologies.

   Revenue from solar related business was about 42.3% of the Group's total revenue in 2010 (2009: 30.6%), and the gross profit contribution from solar related business in 2010 was 60.3% (2009: 48.1%). The Group will continue to devote its resources in solar related business in future.

Other income and gains

Other income and gains increased by RMB1.6 million or 25.2% in 2010. It was mainly due to the receipt of government subsidy of RMB5 million during the year.

Selling and distribution costs

Selling and distribution costs increased by RMB10.3 million or 53.7%. 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 was 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 RMB27.6 million or 32.1%. There are several factors for the increment. Administrative costs consist of staff costs, share option expense, research and development expense, etc. The increase is consistent with the increase in business.

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.

Finance costs

Finance costs increased by RMB5.9 million. Total bank loans increased by RMB344.3 million. The increase in bank loans were mainly used to finance the daily operation of the Group, and to prepare to increase the operating scale in the Hunan factory.

Income tax

	2010	2009
	RMB'000	*RMB'000*
Current-Mainland China		
– Charge for the year	**52,582**	22,681
Current – Hong Kong		
– Charge for the year	**–**	158
Deferred	**12,394**	7,505
Total tax charge for the year	**64,976**	30,344

Income tax increased by RMB34.6 million. Effective tax rate of our Group increased from 16.7% in 2009 to 23.1% in 2010. The operating tax rate for the Company's major operating subsidiary – Zhuhai Singyes increased from 10% to 15% after the implementation of the new CIT law pushed up the overall effective tax rate of the Group.

Strong current ratio

The current ratio being current assets over current liabilities, was 2.9 as at 31 December 2010 (2009: 4.4).

Trade receivables/trade payables turnover days

Turnover days	**At 31 December 2010** *Days*	At 31 December 2009 *Days*
Trade receivables	**139**	128
Trade payables	**19**	21

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 2010 was 139 days. 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. Trade payables turnover days at 31 December 2010 was 19 days, which is similar to our Group's past operating record. The increase in trade receivables turnover day was due to the late receipt from some of our customers. The Group has reviewed the past transaction records and the creditability of those customers and we believed that the outstanding debt could be recovered and hence no provision for bad debt was made.

Liquidity and financial resources

The Group's primary source of funding included the cashflow generated from operating activities and newly raised bank loans. At 31 December 2010, the Group had approximately RMB414.2 million of cash and cash equivalents and approximately RMB476.9 million of bank loans. The Group will continuously manage its cash outflow closely and cautiously in the coming years and dedicate to maintain a sound financial position and improve the equity return to its shareholders.

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 2010 was 27.5% (2009: 11.8%).

With the continuous positive cash inflow generated from its operations and its existing cash resources and available banking facilities obtained from its bankers, the Group has sufficient financial resources to meet its commitments and working capital requirements.

Capital Expenditures

Capital expenditures of the Group for the year ended 31 December 2010 amounted to approximately RMB224.9 million. They mainly represented the construction work of the new factory premises in Hunan, and the addition in building and machinery.

Borrowings and bank facilities

The outstanding borrowings comprised bank loans of RMB476.9 million with effective interest rates ranging from Hong Kong Inter Bank Offered Rate (“HIBOR”) + 0.95% to 5.31%.

As at 31 December 2010, the Group had total banking facilities of RMB947.9 million. At 31 December 2010, we have utilised RMB476.9 as bank loans and RMB46.8 million were utilised as trade financing activities (including letter of credits, bills, performance bond etc). The remaining banking facilities comprise of RMB27.1 million of bank loan limit and RMB397.1 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
2010		
If RMB weakens against HK$	**5**	1,714
If RMB strengthens against HK$	**(5)**	(1,714)
If RMB weakens against US$	**5**	2,216
If RMB strengthens against US$	**(5)**	(2,216)

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.

Dividend

The Directors of the Company proposed a final dividend of RMB0.03 per share (2009: RMB0.03 per share). The Company did not declare an interim dividend in 2010 (2009: RMB0.02 per share). The Company is in rapid expandsion stage, the actual dividend payout ratio in each year will be according to the actual performance of the Group, the general industry and economic environment.

Closure of register of members

The register of members will be closed from 24 May 2011 to 26 May 2011, 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 23 May 2011.

HUMAN RESOURCES

As at 31 December 2010, the Group had about 1,072 employees. Employee salary and other benefit expenses increased to approximately RMB55 million in 2010 from approximately RMB28.3 million in 2009, which represented an increase of 94.3%. This is because we have recruited a lot of talents to meet the expansion of our Group in 2010 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 2010, 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 2010.

Audit Committee

The Company established the Audit Committee 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 consolidated results and the results announcement for the year ended 31 December 2010.

Purchase, sales and redemption of Company's listed securities

The Company has repurchased 100,000 shares of the Company in the open market at a price of HK$3.35 per share on 27 May 2010 and these 100,000 shares were subsequently been cancelled on 18 June 2010. Saved as disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the Period.

Publication of Results Announcement

This annual results announcement is available for viewing on the websites of the Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk and the Company's website at http://www.zhsye.com and the 2010 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, 25 March 2011

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.