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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 2011

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 2011.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Revenue	**2,406,212**	1,782,447
EBITDA*	**429,733**	306,030
Profit before tax	**371,533**	281,474
Income tax expense	**80,025**	64,976
Profits attributable to owners of the Company	**290,850**	216,419
Gross profit margin	**24.1%**	24.6%
Net profit margin	**12.1%**	12.1%
Earnings per share attributable to ordinary equity holders		
– Basic	**RMB0.570**	RMB0.441
– Diluted	**RMB0.568**	N/A
Final dividend per share proposed	**HK$0.04**	RMB0.03

Proposed bonus issue of 2 shares for each 10 existing ordinary shares held.

* *Earnings before interest, tax and depreciation*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December **2011** ***RMB'000***	2010 *RMB'000*
Revenue	*3*	**2,406,212**	1,782,447
Cost of sales		**(1,825,618)**	(1,344,865)
Gross profit		**580,594**	437,582
Other income and gains		**41,779**	7,716
Selling and distribution costs		**(48,075)**	(29,485)
Administrative expenses		**(160,755)**	(113,667)
Finance costs		**(36,011)**	(14,121)
Other expenses		**(5,999)**	(6,551)
Profit before tax	*4*	**371,533**	281,474
Income tax expense	*5*	**(80,025)**	(64,976)
Profit for the year		**292,793**	216,498
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		**1,285**	(548)
Total comprehensive income for the year		**292,703**	215,950
Profit attributable to:			
Owners of the Company		**290,850**	216,419
Non-controlling interests		**658**	79
		291,508	216,498
Total comprehensive income attributable to:			
Owners of the Company		**292,135**	215,871
Non-controlling interests		**658**	79
		292,793	215,950
Earnings per share attributable to ordinary equity holders of the Company			
– Basic	*6*	**0.570**	RMB0.441
– Diluted		**0.568**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2011 RMB'000	2010 RMB'000
Non-current assets			
Property, plant and equipment		**1,261,462**	267,270
Prepaid land lease payments		**94,644**	34,027
Intangible assets		**4,565**	550
Prepayments in advance		**32,512**	26,411
Deferred tax assets		**17,216**	–
An available-for-sale equity investment		**29,712**	31,174
Total non-current assets		**1,440,111**	359,432
Current assets			
Inventories		**63,847**	18,761
Construction contracts		**48,025**	72,234
Trade receivables	*8*	**991,551**	795,237
Prepayments, deposits and other receivables	*8*	**37,152**	43,139
Equity investment at fair value through profit or loss		**–**	3,044
Pledged deposits		**53,982**	30,978
Cash and cash equivalents		**315,496**	414,203
Total current assets		**1,510,053**	1,377,596
Current liabilities			
Trade and bills payables	*9*	**298,112**	73,986
Other payables and accruals	*9*	**215,299**	82,122
Interest-bearing bank loans		**569,147**	299,730
Tax payable		**77,067**	21,018
Due to directors		**13,385**	–
Total current liabilities		**1,173,010**	476,856
Net current assets		**337,043**	900,740
Total assets less current liabilities		**1,777,154**	1,260,172
Non-current liabilities			
Interest-bearing bank loans		**96,413**	177,173
Deferred tax liabilities	*10*	**37,771**	19,899
Deferred income		**114,771**	–
Total non-current liabilities		**248,955**	197,072
Net assets		**1,528,199**	1,063,100
Equity attributable to owners of the Company			
Issued capital	*11*	**35,841**	33,589
Reserves		**1,470,758**	995,403
Proposed final dividend		**17,045**	14,727
		1,523,644	1,043,719
Non-controlling interests		**4,555**	19,381
Total equity		**1,528,199**	1,063,100

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 renewable energy goods and new materials. 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 2011. 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.

Total comprehensive income within a subsidiary is 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.

2.2 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 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*
IAS24 (Revised)	*Related Party Disclosures*
IAS32 Amendment	Amendment to IAS 32 *Financial instruments: Presentation – Classification of Rights Issues*
IFRIC 14 Amendments	Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to IFRSs 2010	Amendments to a number of IFRSs issued in May 2010

Other than as further explained below regarding the impact of IAS 24 (Revised), and amendments to IFRS 3, IAS 1 and IAS 27 included in Improvements to IFRSs 2010, the adoption of the new and revised IFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these IFRSs are as follows:

(a) IAS 24 (Revised) *Related Party Disclosures*

IAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to IFRSs 2010* issued in May 2010 sets out amendments to a number of IFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- IFRS 3 *Business Combinations:* The amendment clarifies that the amendments to IFRS 7, IAS 32 and IAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- IAS 1 *Presentation of Financial Statements:* The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- IAS 27 *Consolidated and Separate Financial Statements:* The amendment clarifies that the consequential amendments from IAS 27 (as revised in 2008) made to IAS 21, IAS 28 and IAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if IAS 27 is applied earlier.

2.3 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.

IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*[1]
IFRS 1 Amendments	Amendments to IFRS 1 *Government Loan*[4]
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*[1]
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[4]
IFRS 9	*Financial Instruments*[6]
IFRS 10	*Consolidated Financial Statements*[4]
IFRS 11	*Joint Arrangements*[4]
IFRS 12	*Disclosure of Interests in Other Entities*[4]
IFRS 13	*Fair Value Measurement*[4]
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*[4]
IAS 1 Amendments	Amendments to IAS1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[3]
IAS 12 Amendments	Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
IAS 19 Amendments	Amendments to IAS 19 *Employee Benefits*[4]
IAS 27 (Revised)	*Separate Financial Statements*[4]
IAS 28 (Revised)	*Investments in Associates and Joint Ventures*[4]
IAS 32 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation offsetting financial assets and financial liabilities*[5]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2014
[6] Effective for annual periods beginning on or after 1 January 2015

Further information about those changes that are expected to significantly affect the Group is as follows:

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.

IAS 39 is aimed to 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 2015.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by IFRS 10 require management of the Group to exercise significant judgments to determine which entities are controlled, compared with the requirements in IAS 27 and SIC 12 *Consolidation – Special Purpose Entities*. IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12.

IFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities that are previously included in IAS 27 *Consolidated and Separate Financial Statements*, IAS 31 *Interests in Joint Ventures* and IAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

Consequential amendments were made to IAS 27 and IAS 28 as a result of the issuance of IFRS 10, IFRS 11 and IFRS 12. The Group expects to adopt IFRS 10, IFRS 11, IFRS 12, and the consequential amendments to IAS 27 and IAS 28 from 1 January 2013.

IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other IFRSs. The Group expects to adopt IFRS 13 prospectively from 1 January 2013.

Amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Group expects to adopt the amendments from 1 January 2013.

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:

	2011		2010	
	RMB'000	*%*	*RMB'000*	*%*
Construction contracts	**1,807,165**	**75.1**	1,324,734	74.3
Sale of goods	**593,923**	**24.7**	455,641	25.6
Sale of electricity	**1,961**	**0.1**	–	N/A
Rendering of design services	**3,163**	**0.1**	2,072	0.1
	2,406,212	**100**	1,782,447	100.0

Geographical information

(a) Revenue from external customers

	2011		2010	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	**2,375,719**	**98.7**	1,741,430	97.7
Outside Mainland China	**30,493**	**1.3**	41,017	2.3
	2,406,212	**100.0**	1,782,447	100.0

(b) Non-current assets

	2011		2010	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	**1,376,456**	**98.8**	310,244	94.5
Hong Kong	**16,727**	**1.2**	18,014	5.5
	1,393,183	**100.0**	328,258	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

	2011	2010
	RMB'000	*RMB'000*
Cost of construction contracts and design services	**1,382,594**	1,003,797
Cost of inventories sold	**441,505**	341,068
Cost of electricity sold	**1,519**	–
Depreciation	**22,189**	10,435
Amortisation of prepaid land lease payments	**1,499**	245
Amortisation of intangible assets	**264**	111
Minimum lease payments under operating leases	**6,070**	3,678
Research costs	**21,495**	9,899
Auditors' remuneration	**4,603**	2,980
Staff costs (including directors' remuneration and pension contributions)	**92,228**	55,005
Equity-settled share option expense	**7,669**	19,323
Exchange losses, net	**3,089**	3,276
Reversal of provision for impairment of trade and other receivables	**(505)**	–

5. INCOME TAX EXPENSE

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

	2011	2010
	RMB'000	*RMB'000*
Current-Mainland China		
– Charge for the year	**79,369**	52,582
Deferred	**656**	12,394
Total tax charged for the year	**80,025**	64,976

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.

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 (the "PRC 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.

As at 31 December 2011, deferred tax liabilities of RMB17,872,000 (2010: RMB12,394,000) regarding withholding income tax on the undistributed earnings (future dividend) of Zhuhai Singyes Green Building Technology Co Ltd ("Zhuhai Singyes") and Zhuhai Singyes Renewable Energy Technology Co Ltd ("Singyes Newable Energy") has been provided for (note 10).

An reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for the jurisdictions in which companies with the Group to the tax expense at the effective tax rates is as follows:

	2011	2010
	RMB'000	*RMB'000*
Profit before tax	**371,533**	281,474
At the applicable tax rates	**49,728**	49,405
Expenses not deductible for tax	**12,425**	3,177
Effect of withholding tax at 5% on the distributable profits of the Group's subsidiaries in Mainland China	**17,872**	12,394
Tax charge at the Group's effective tax rate	**80,025**	64,976

Deferred tax assets of RMB17,216,000 in respect of unreleased government grants were recognised.

The net deferred tax impact was a deferred tax charge of RMB656,000.

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 ordinary equity holders of the Company, and the weighted average number of ordinary shares of 510,675,186 (2010: 490,940,000) in issue during the year.

The calculation of diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2011	2010
	RMB'000	*RMB'000*
Profit attributable to ordinary equity holders of the Company for the basic and diluted earnings calculation	**290,850**	216,419

	Number of shares	
	2011	2010
Weighted average number of ordinary shares in issue for the basic earnings per share calculation	**510,675,186**	490,940,000
Effects of dilution – weighted average number of ordinary shares: Share options	**1,257,931**	–
	511,933,117	490,940,000

7. DIVIDENDS

	2011	2010
	RMB'000	*RMB'000*
Proposed final – HK$4 cents (2010: RMB3 cents) per ordinary share	**17,045**	14,727

8. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2011	2010
	RMB'000	*RMB'000*
Trade receivables	**994,106**	798,297
Less: impairment	**(2,555)**	(3,060)
	991,551	795,237

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:

	2011	2010
	RMB'000	*RMB'000*
Within 3 months	**658,022**	498,806
3 to 6 months	**210,406**	203,928
6 to 12 months	**62,111**	64,517
1 to 2 years	**59,569**	26,923
2 to 3 years	**380**	1,063
Over 3 years	**1,063**	–
	991,551	795,237

As at 31 December 2011, trade receivables contained retention money receivables of RMB141.7 million (2010: RMB97.7 million).

	2011	2010
	RMB'000	*RMB'000*
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	**11,147**	19,864
Deposits	**16,620**	17,806
Other receivables	**9,535**	5,619
Less: Impairment	**(150)**	(150)
	37,152	43,139

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

9. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS

	2011	2010
	RMB'000	*RMB'000*
Trade and bills payables	**298,112**	73,986
Advances from customers	**5,791**	13,316
Tax and surcharge payables	**69,613**	56,193
Accrued expenses	**9,271**	5,488
Other payables	**130,624**	7,125
	513,411	156,108

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:

	2011	2010
	RMB'000	*RMB'000*
Within 3 months	**270,174**	33,190
3 to 6 months	**11,394**	17,097
6 to 12 months	**4,419**	5,952
1 to 2 years	**5,715**	7,989
2 to 3 years	**1,982**	4,627
Over 3 years	**4,428**	5,131
	298,112	73,986

10. DEFERRED TAX LIABILITIES

The movements of deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Government grants
	RMB'000
At 1 January 2011	–
Deferred tax credited to profit or loss during the year	17,216
At 31 December 2011	17,216

Deferred tax assets of RMB17,216,000 in respect of unreleased government grants were recognised.

Deferred tax liabilities

	Withholding taxes
	RMB'000
At 1 January 2010	7,505
Deferred tax charged to profit or loss during the year	12,394
At 31 December 2010 and at 1 January 2011	19,899
Deferred tax charged to profit or loss during the year	17,872
At 31 December 2011	37,771

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 RMB17,872,000 (2010: 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

	2011	2010
	US$'000	*US$'000*
Authorised		
1,200,000,000 ordinary shares of US$0.01 each	**12,000**	12,000
Issued and fully paid		
525,633,332 (2010: 490,900,000) ordinary share of US$0.01 each	**5,256**	4,909
Equivalent to RMB'000	**35,841**	33,589

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

		Number of shares in issue	Issued capital *RMB'000*
At 1 January 2010		491,000,000	33,596
Redemption of shares		(100,000)	(7)
At 31 December 2010 and 1 January 2011		490,900,000	33,589
Share option exercised	(a)	453,332	29
Issue of shares	(b)	35,000,000	2,269
Redemption of shares	(c)	(720,000)	(46)
At 31 December 2011		525,633,332	35,841

(a) The subscription rights attaching to 453,332 share options were exercised at the subscription price of HK$4.3 per share, resulting in the issue of 453,332 shares with a par value of US$0.01 each.

(b) On 27 May 2011, the Company entered into a placing agreement with Strong Eagle and China International Capital Corporation Hong Kong 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 35,000,000 existing shares at a price of HK$6.80 per share. On 9 June 2011, the Company issued 35,000,000 new shares under the general mandate, which were fully subscribed by Strong Eagle at the same price of HK$6.80 per share.

(c) Being shares redeemed by the Company on the Stock Exchange of Hong Kong Limited at an average price of HK$4.98 per share. These 720,000 shares have already been cancelled as at 31 December 2011.

12. PROPOSED BONUS ISSUE

On 26 March 2012, the directors propose a bonus issue of 2 bonus ordinary shares for every 10 existing share held. The Directors believe that the Bonus Issue will reduce trading value per board lot of the shares and to increase trading liquidity, as well as likely to enlarge the Company's shareholders' base. Full details of the Bonus Issue are set out in a separate announcement of the Company dated 26 March 2012, which is published in the website of the Company and the Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

We are a professional renewable energy solution provider and building contractor. Our main businesses are design, fabrication and installation of conventional curtain walls and Building Integrated Photovoltaic System ("BIPV") systems; as well as manufacture and sale of renewable energy goods.

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 allows 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 renewable energy goods, including smart grid system, prefabricated solar houses, solar thermal system and solar street lamp. During the year, we also started a new business called Indium Tin Oxide ("ITO") business or "New material" business for the development of highend curtain wall in future. Leveraging on our track record and extensive experience in our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and renewable energy goods. 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 on solar business. In the long run, we will 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.

FUTURE PLAN AND STRATEGIES

Opening of new production base to meet future business growth

Our new production base in Hunan province has been completed and commenced operation in July 2011. The Hunan production base will focus on the following areas:

We have installed large-scale curtain wall and BIPV fabrication equipment to meet the increase in demand for our BIPV business. We are one of the top 10 curtain wall contractors and also one of the largest BIPV contractors inside Mainland China. The new fabrication centre allows us to get cost saving and flexibility in resources planning through economic of scale, and to strengthen our competitive position in the construction sector.

We also built a new solar products manufacturing centre which focusing on the manufacturing of heat pump and solar thermal system. We are confident of the future growth of the solar thermal system due to its high conversion efficiency and short investment pay-back time.

We also set up a 50MW solar cell production line, the products for the cell production line will mainly for our own use in the future.

On the roof top of the Hunan production base, we have secured a 20MW roof top solar farm in 2010 under the 2010 Golden Sun program. As at the end of December 2011, around 13MW has already been completed and connected to the grid successfully.

In May 2011, we acquired another land parcel in Zhuhai with 125,639 square meter. We planned to build another new production based in Zhuhai. The new Zhuhai production base is expected to commence operation in second quarter this year.

Leading position in railway station projects and strong growth in conventional curtain wall business

In year 2011, we involved in 10 railway related projects and total revenue from railway related business accounted for about 45% of our conventional curtain wall business. Railway related revenue dropped by about 29% compared with 2010. After the high-speed train accident occurred in early 2011, the construction plan of the high speed railway system were suspended and under evaluation again to enhance the overall safety and reliability. Therefore, a slow-down in railway construction is expected in coming few years. In last year, we have strategically shifted our focus to BIPV and other sizable public and commercial curtain wall projects, and hence relatively less railway projects were completed in last year. However, in view of our proven track record and the established business network, we believe that the railway revenue could rebound when the construction of the high-speed train network inside Mainland China resume.

Despite of the unfavourable market condition in railway station projects, we still recorded a strong growth of 28.4% in conventional curtain wall contracts. This was because of the high demand from commercial sector and the strong growth from other public projects.

Strengthening our BIPV business through the Golden Sun policy

We intend to further strengthen our solar 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. Apart from that, the Mainland China government will continue to give support to solar application through the Golden Sun policy, under the Twelfth-Five-Year Plan, the Mainland China government target to install about 15GW of solar system inside Mainland China by year 2015. With the combination of our proven track record, our expertise, our technical know-how and our experience we were able to get stable market share under the Golden Sun since 2009. We have strategically positioned us as a high end solar system integrator and engineerer in Mainland China and we believe that we could maintain a stable market share in the coming years.

We also planned to devote more research efforts in the development and design of new renewable energy goods in the near future in order to capture the growing market demand for these products. Moreover, through the strategic cooperation with a number of solar panel manufacturers, we aim to tap into their Mainland China and overseas customer base and distribution network to secure business for our BIPV systems and renewable energy goods and to seek overseas business opportunities.

During the year, we have achieved a very satisfactory result in our BIPV business. We involved in nearly 50 BIPV projects and revenue from BIPV grew by 47.3% and it accounted for approximately 34.2% of our total revenue, while in 2010, BIPV accounted for approximately 31.4% of our total revenue. We expect BIPV business will become more and more important in foreseeable future.

Development of renewable energy goods and new materials

We have launched a variety kind of renewable energy goods in recent years, including solar thermal system, solar air-conditioning system. The increase in importance in environmental protection helps to stimulate the sale of our renewable energy goods.

During the year, we also started a new business called Indium Tin Oxide ("ITO") business or "New material" business. ITO is an electricity-conductive material and it will become transparent when electricity is connected. Our New material business included ITO film and ITO embedded glass, which the transparency is adjustable by switching the power supply. The purpose of starting this New material business is because we want to put more emphasis on high-end conventional curtain wall market in coming years in order to capture a higher margin. Revenue from ITO amounted to RMB12.9 million in 2011.

Revenue from renewable energy goods significantly increased from RMB193.7 million in 2010 to RMB325.3 million in 2011.

Overseas business opportunities

During the year, revenue contribution from overseas business amounted to RMB30.5 million, it dropped by approximately RMB10.5 million 25.6% compared with 2010. This drop was mainly because the completion of a casino project in Macau in 2010 but no similar project in 2011.

In 2011, we also suspended an airport project in Doha. Based on the contract, we work under the main contractor to supply and build the curtain wall for the new international airport of Doha; however, the contractual relationship between the main contractor and the developer of the Doha airport has been terminated in 2011. Since we do not have direct contractual relation with the developer, we therefore took away this project from our order book.

On the other hand, in 2011, we successfully promoted our solar products to some South East Asian countries, Hong Kong, Macau and the Middle East. Based on the current order on hand, we believe we could record a strong growth in overseas market. In 2012, we will strategically focus in the market of the US, South East Asian countries, Middle East, Macau and Hong Kong.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	Year ended 31 December	
	2011	2010
	RMB' million	*RMB' million*
Conventional curtain walls		
– Public work	**403.5**	403.3
– Commercial and industrial buildings	**436.8**	270.3
– High-end residential buildings	**140.9**	90.3
	981.2	763.9
BIPV		
– Public work	**458.3**	300.1
– Commercial and industrial buildings	**367.7**	260.7
	826.0	560.8
Total Construction Contracts	**1,807.2**	1,324.7
Sale of goods		
– Curtain wall materials	**255.7**	261.9
– Renewable energy goods	**325.3**	193.7
– New material business	**12.9**	–
Total sale of goods	**593.9**	455.6
Sale of electricity	**2.0**	–
Rendering of design services	**3.1**	2.1
Total revenue	**2,406.2**	1,782.4

Gross profit and gross profit margin	**2011**		2010	
	RMB million	**%**	*RMB million*	%
Construction contracts				
– Conventional curtain walls	**147.6**	**15.0**	120.8	15.8
– BIPV	**278.6**	**33.7**	200.8	35.8
	426.2	**23.6**	321.6	24.3
Sale of goods				
– Curtain wall materials	**47.5**	**18.6**	51.6	19.7
– Renewable energy goods	**101.2**	**31.1**	63.0	32.5
– New materials	**3.7**	**28.7**	–	–
	152.4	**25.7**	114.6	25.2
Sale of electricity	**0.4**	**20.0**	–	–
Rendering of design services	**1.6**	**51.6**	1.4	N/A
Overall gross profit margin	**580.6**	**24.1**	437.6	24.6

Apart from the BIPV contract revenue of RMB826.0 million, we also recorded approximately RMB20 million of government grants for a 3.1MW roof top solar project in Hunan. This 3.1MW roof top solar project is part of the 20MW project approved under Golden Sun as set out in the announcement of the Company on 24 November 2010. This RMB20 million was recognized as other income and gains instead of revenue as per the relevant accounting standards. As a results, total BIPV related income in 2011 should be 846.0 million.

BIPV business

Income

	2011	2010
	RMB million	*RMB million*
BIPV revenue as reported above	**826.0**	560.8
Recorded in other income for a 3.1MW project	**20.0**	–
Total BIPV related income	**846.0**	560.8

Gross profit

BIPV profit as reported above	**278.6**	200.8
Recorded in other income for a 3.1MW project	**20.0**	–
Total BIPV related gross profit	**298.6**	200.8
Margin	**35.3%**	35.8%

The Group's revenue increased by RMB623.8 million or 35.0%, from RMB1,782.4 million in 2010 to RMB2,406.2 million in 2011. Gross profit of the Group increased by RMB143.0 million or 32.7%, from RMB437.6 million in 2010 to RMB580.6 million in 2011.

1) Despite the unfavourable market environment in construction industry inside Mainland China in 2011, the Group's conventional curtain wall business still record a good growth of RMB217.3 million or 28.4%, from RMB763.9 million in 2010 to RMB981.2 million in 2011, especially in commercial and residential sector. We put more focus on second tier cities during the year. The demand for new commercial and residential buildings still high because of the increasing need for modernization and the high increase in income of residents. Revenue from public sector remains stable at RMB403.5 million, which is similar to last year.

   Gross profit from conventional curtain walls increased from RMB120.8 million to RMB147.6 million. Gross profit margin remains stable at 15.0% in 2011 (2010: 15.8%).

2) We have achieved a significant growth in our BIPV business in 2011. Revenue from BIPV increased by RMB265.2 million or 47.3%, from RMB560.8 million in 2010 to RMB826.0 million in 2011. Together the income for the 3.1MW roof top solar farm mentioned above, BIPV income should actually be RMB846 million, increased by 50.9% compared with 2010.

   BIPV revenue grew significantly in both public and commercial sectors. BIPV revenue from public work increased by RMB158.2 million or 52.7%; revenue from commercial sector, together with the RMB20 million as mentioned above, increased by RMB127 million or 48.7%. In the past few years, the Mainland China government launched a number of policies to simulate the solar application and our BIPV business recorded a very high growth rate. We believe that the Mainland China government will continue its aggressive plan in supporting downstream solar application and the Group will continue to be the winner in this area.

Gross profit for BIPV business increased by RMB77.8 million 38.7%. However, after taking into the account of the RMB20 million for the 3.1MW project, actual gross profit level for BIPV should be RMB298.6 million and the gross profit margin level should be 35.3%, which is similar to the margin level in 2010. During the year, we engaged in nearly 50 BIPV related projects (2010: 28) and we expect we could record strong grow in BIPV again in coming years.

3) Sales of goods increased by 30.4%, from RMB455.6 million in 2010 to RMB593.9 million in 2011. Sale of goods comprises sale of conventional materials; sale of renewable energy goods and sale of new materials.

   Sale of conventional materials dropped slightly by RMB6.2 million or 2.4%. Gross profit margin in 2011 was 18.6% (2010: 19.7%). Our strategy is to maintain the conventional business sector stable and will not actively seek for substantial growth.

   Sale of renewable energy goods increased by RMB131.6 million or 67.9%. Sale of renewable energy goods comprises sale of BIPV materials, sale of solar thermal products and other solar related products. Gross margin slightly dropped to 31.3% (2010: 32.5%).

4) During the year, we also started a new Indium tin oxide (“ITO”) business (“New material business”). ITO is an electricity-conductive material and it will become transparent when electricity is connected. Our New material business included ITO film and ITO embedded glass, which the transparency is adjustable by switching the power supply. The purpose of starting the ITO material business is because we want to put emphasis on high-end conventional curtain wall in coming years in order to capture a higher margin. We introduced the New material business to the market in forth quarter last year and the market reaction is positive, revenue in 2011 was RMB12.9 million and gross margin was 28.7%.

5) Our first mirco smart-grid demonstration project in Dong-Ao Island commenced operation early last year, revenue from electricity sale in Dong-Ao Island in 2011 amounted to RMB2.0 million, gross profit margin was 20%. This is a very good show case project to draw public’s interest on how a smart-grid network operate and to show them the benefits of smart-grid. We believe that the smart-grid technology will bring us new business opportunities in foreseeable future.

   Sale of goods, together with the sale of electricity, accounted for around 24.7% of our total revenue in 2011 (2010:25.6%). Our Group is now diversifying our business and to make our revenue less volatile to the change in market condition in China’s construction industry.

Revenue and profit contribution from different business sectors:

Revenue split

	2011		2010	
	RMB million	*%*	*RMB million*	*%*
Conventional business	**1,240.0**	**51.1**	1,027.9	57.7
Renewable energy business*	**1,173.3**	**48.4**	754.3	42.3
New material business	12.9	0.5	–	N/A
		100		**100**

Profit split

	2011		2010	
	RMB million	*%*	*RMB million*	*%*
Conventional business	**196.7**	**32.8**	173.8	39.7
Renewable energy business*	**400.2**	**66.6**	263.8	60.3
New material business	**3.7**	**0.6**	–	N/A
		100		**100**

* The 2011 figures include the RMB20 million recorded under other income.

The Group's conventional business grew by about 20.6% and renewable energy business grew by 55.5%.Renewable energy business, together with new material business, accounted for about 48.9% of the group's total revenue (2010: 42.3%). In 2011, renewable energy business and new material business accounted for about 67% of the group's gross profit (2010: 60%).

Other income and gains

Other income and gains mainly represented government subsidy and interest income from banks.

During the year, we received approximately RMB17 million from the government to reward our commitment to solar energy. We also recorded approximately RMB20 million of release of government grants during the year. This is a 3.1MW roof top solar farm from a customer in Hunan, this 3.1MW is part of the 20MW Golden Sun approval project as announced by the Company on 24 November 2010.

Selling and distribution expenses

Selling and distribution expenses increased by RMB18.6 million or 63%. The increase in selling and distribution expense was mainly caused by the increase in staff costs, office leasing and other business related expenses. The increase in staff costs was because of the increase in number of selling staffs and increase in staff incentive. The levels of changes in other items were consistent with our business growth.

Administrative expenses

Administrative expenses increased by RMB47.1 million or 41.4%. The increase in administrative expenses was again mainly driven by the increase in staff costs, depreciation, research expense and other business related expenses.

Other expenses

Other expenses is stable comparing with 2010.

Finance costs

The Group's finance costs increased by RMB21.9 million. Total bank loans amounted to RMB665.6 million as at 31 December 2011, while, the Group only had RMB476.9 million of bank loans as at 31 December 2010. Apart from that, the cost of finance inside Mainland China also increased and therefore total interest expense increased from RMB14.1 million in 2010 to RMB36.0 million in 2011.

Income tax expense

Income tax expense included RMB79.4 million of taxation charge and RMB0.7 million of deferred tax charge. Taxation charged increased by RMB15.0 million comparing with 2010.

Provision for corporate income tax increased from RMB52.6 million in 2010 to RMB79.4 million in 2011. The increase is consistent with the increase in profit of the Group.

Deferred tax included RMB17.9 million (2010: RMB12.4 million) of deferred tax charges, it represented provision for dividend withholding tax based on 5% of net profit on our operating subsidiaries located inside Mainland China.

During the year, our Group received RMB134.9 million of government subsidy on the roof top solar farm on top of our new production base in Hunan. Such government subsidy will initially be recognized as deferred income as at 31 December 2011, RMB20.0 million was released as income due to the completion of a 3.1MW roof top solar farm. The tax implication of the remaining balance of RMB114.9 represented a RMB17.2 million of deferred tax assets (2010: nil). The net deferred tax impact was a deferred tax charge of RMB0.7 million (2010: RMB12.4 million).

Strong current ratio

The current ratio being current assets over current liabilities, was 1.3 as at 31 December 2011 (2010: 2.9).

Trade receivables/trade payables turnover days

Turnover days	**At 31 December 2011** *Days*	At 31 December 2010 *Days*
Trade receivables	**134**	139
Trade payables	**37**	19

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 2011 was 134 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 2011 was 37 days. Compared with year 2010, an improvement is noted in both trade receivables and trade payables day. The Group will continue to put effort to improve the trade receivable turnover days for better operating cash flow.

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 2011, the Group had approximately RMB315.5 million of cash and cash equivalents and approximately RMB665.6 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, represented by consolidated net borrowings (total bank loans minus cash and cash equivalents) to total equity at 31 December 2011 was 22.9% (2010: 5.9%).

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 2011 amounted to approximately RMB1,079.3 million. The capital expenditures mainly comprise, additions in plant and machinery and factory premises in Hunan new production base, as well as additions of new land use rights and the construction in progress for another new production centre in Zhuhai.

Borrowings and bank facilities

The outstanding borrowings comprised bank loans of RMB665.6 million with effective interest rates ranging from Hong Kong Inter Bank Offered Rate ("HIBOR") + 0.95% to 7.87%.

As at 31 December 2011, the Group had total banking facilities of RMB1,348.3 million. We utilised RMB665.6 million as bank loans and RMB48.6 million were utilised as trade financing activities (including letter of credits, bills, performance bond etc). The remaining banking facilities RMB634.1 million were 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
2011		
If RMB weakens against HK$	**5**	(4,106)
If RMB strengthens against HK$	**(5)**	4,106
If RMB weakens against US$	**5**	207
If RMB strengthens against US$	**(5)**	(207)
If RMB weakens against Dirahm	**5**	78
If RMB stengthens against Dirahm	**(5)**	(78)

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 HK$0.04 per share (2010: RMB0.03 per share). The Company is in rapid expandsion stage, the actual dividend payout ratio in each year will depend on 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 Wednesday, 23 May 2012 to Friday, 25 May 2012, both days inclusive. In order to entitle 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 Tuesday, 22 May 2012.

The Company's register of members will be closed from Thursday, 31 May 2012 to Friday, 1 June 2012 (both days inclusive), during which period no transfer of shares of the Company will be effected.

In order to qualify for the proposed final dividend and the proposed bonus issue, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 30 May 2012

Cheques for final dividend (subject to approval in the annual general meeting mentioned above) will be dispatched to the shareholders of the Company on or before 20 June 2012.

HUMAN RESOURCES

As at 31 December 2011, the Group had about 1,760 employees. Employee salary and other benefit expenses increased to approximately RMB99.9 million in 2011 from approximately RMB74.3 million in 2010, which represented an increase of 34.4%. This is because the Group additionally recruited about 700 staffs in 2011, majority of them were located in our new production base in Hunan. 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 2011, 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. The Company advises that it has been introducing, and continues to introduce, measures to comply with the recent changes to the Listing Rules relating to corporate governance.

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 2011.

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 2011.

Purchase, sales and redemption of Company's listed securities

The Company has repurchased 720,000 shares of the Company in the open market at average price of HK$4.98 per share and these 720,000 shares have been cancelled as at 31 December 2011. Saved as disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year.

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.singyessolar.com and the 2011 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 2012

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