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

(incorporated in Bermuda with limited liability)

(Stock Code: 750)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The board of directors (the "Directors", collectively referred to as the "Board") of China Singyes Solar Technologies Holdings Limited (the "Company") is pleased to announce the interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2014 (the "Period").

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Revenue	**2,291,293**	1,704,652
EBITDA*	**400,516**	308,693
Profit before tax	**255,625**	228,725
Income tax expense	**(51,282)**	(57,722)
Profits attributable to owners of the Company	**207,206**	170,919
Gross profit margin	**21.5%**	25.1%
Net profit margin	**8.9%**	10.0%
Earnings per share attributable to ordinary equity holders		
– Basic	**RMB0.299**	RMB0.264
– Diluted	**RMB0.293**	RMB0.259

** Earnings before interest, tax and depreciation*

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2014	2013
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	*(unaudited)*
Revenue	*3*	**2,291,293**	1,704,652
Cost of sales		**(1,798,800)**	(1,276,942)
Gross profit		**492,493**	427,710
Other income and gains		**41,825**	13,967
Selling and distribution expenses		**(38,896)**	(37,133)
Administrative expenses		**(136,786)**	(124,405)
Other expenses		**(12,656)**	(3,875)
Finance costs		**(90,355)**	(47,539)
Profit before tax	*4*	**255,625**	228,725
Income tax expense	*5*	**(51,282)**	(57,722)
Profit for the period		**204,343**	171,003
Other comprehensive loss for the period:			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(5,184)**	(398)
Total comprehensive income for the period		**199,159**	170,605
Profit attributable to:			
Owners of the Company		**207,206**	170,919
Non-controlling interests		**(2,863)**	84
		204,343	171,003
Total comprehensive income attributable to:			
Owners of the Company		**202,022**	170,521
Non-controlling interests		**(2,863)**	84
		199,159	170,605
Earnings per share attributable to ordinary equity holders of the Company			
– Basic	*6*	**RMB0.299**	RMB0.264
– Diluted	*6*	**RMB0.293**	RMB0.259

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2014** ***RMB'000*** ***(unaudited)***	31 December 2013 *RMB'000*
Non-current assets			
Property, plant and equipment		**2,967,518**	2,680,214
Prepaid land lease payments		**93,602**	94,608
Intangible assets		**1,432**	1,672
Payments in advance		**3,832**	6,769
Deferred tax assets		**22,724**	21,498
Available-for-sale equity investments		**12,331**	29,418
Total non-current assets		**3,101,439**	2,834,179
Current assets			
Inventories		**192,892**	76,629
Construction contracts		**347,732**	117,870
Trade and bills receivables	*8*	**1,715,414**	1,801,263
Prepayments, deposits and other receivables	*8*	**237,163**	229,538
Pledged deposits		**370,444**	346,522
Cash and cash equivalents		**931,300**	894,732
Total current assets		**3,794,945**	3,466,554
Current liabilities			
Trade and bills payables	*9*	**1,222,013**	1,292,961
Other payables and accruals		**174,149**	182,571
Derivative financial instruments	*10*	**4,015**	–
Interest-bearing bank and other loans		**1,231,217**	869,628
Tax payable		**21,419**	33,276
Dividend payable		**49,422**	–
Total current liabilities		**2,702,235**	2,378,436
Net current assets		**1,092,710**	1,088,118
Total assets less current liabilities		**4,194,149**	3,922,297
Non-current liabilities			
Interest-bearing bank and other loans		**798,374**	681,281
Deferred tax liabilities		**86,860**	86,860
Deferred income		**552,888**	555,044
Total non-current liabilities		**1,438,122**	1,323,185
Net assets		**2,756,027**	2,599,112
Equity			
Equity attributable to owners of the Company			
Issued capital	*11*	**46,390**	46,247
Reserves		**2,712,464**	2,503,875
Proposed final dividend		**–**	48,954
		2,758,854	2,599,076
Non-controlling interests		**(2,827)**	36
Total equity		**2,756,027**	2,599,112

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2014

1. CORPORATE INFORMATION

China Singyes Solar Technologies Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda on 24 October 2003. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

During the six months ended 30 June 2014 (the "Period"), the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the design, manufacturing, supply and installation of conventional curtain walls and building integrated photovoltaic ("BIPV") system, roof top solar system and ground-mounted solar system (collectively "Solar EPC"). The Group also engaged on the manufacturing and sale of renewable energy goods. There were no significant changes in the nature of the Group's principal activities during the Period.

In the opinion of the directors, the parent and 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

The unaudited interim condensed financial information for the Period has been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The unaudited interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 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 the invoiced value of goods and electricity sold, net of value-added tax and government surcharges.

The Group's revenue and contribution to profit for the Period were mainly derived from curtain wall (including solar power products) and solar photovoltaic power station supply and installation services, 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 Period:

	For the six months ended 30 June			
	2014		2013	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		*(unaudited)*	
Construction contracts	**1,699,329**	**74.2**	1,344,556	78.9
Sale of goods	**579,227**	**25.3**	354,859	20.8
Rendering of design services	**7,368**	**0.3**	3,067	0.2
Sale of electricity	**5,369**	**0.2**	2,170	0.1
	2,291,293	**100.0**	1,704,652	100.0

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June			
	2014		2013	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		*(unaudited)*	
Domestic — Mainland China*	**2,286,283**	**99.8**	1,679,416	98.5
Overseas	**5,010**	**0.2**	25,236	1.5
	2,291,293	**100.0**	1,704,652	100.0

* Place of domicile of the Group's principal operating subsidiaries is Mainland China. The principal revenues of the Group are generated in Mainland China.

(b) Non-current assets

	30 June 2014 RMB'000 (unaudited)	%	31 December 2013 RMB'000	%
Mainland China	**3,050,509**	**99.5**	2,767,956	99.5
Hong Kong	**15,875**	**0.5**	15,307	0.5
	3,066,384	**100.0**	2,783,263	100.0

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue of approximately RMB334,020,000 (six months ended 30 June 2013: Nil), amount to 10% or more to the Group's revenue during the Period, was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June 2014 RMB'000 (unaudited)	2013 RMB'000 (unaudited)
Cost of construction contracts and design services	**1,332,758**	1,000,489
Cost of inventories sold	**458,785**	274,255
Cost of electricity sold	**7,257**	2,198
Depreciation	**54,536**	32,429
Amortisation of prepaid land lease payments	**1,006**	1,007
Amortisation of intangible assets	**407**	388
Minimum lease payments under operating leases	**2,529**	2,820
Research costs	**10,081**	7,595
Auditor's remuneration	**1,410**	1,377
Staff costs (including directors' and chief executive's remuneration)	**102,176**	94,395
Provision of impairment of trade receivable	**–**	832
Impairment of intangible assets	**–**	1,063
Fair value loss of derivative financial instruments	**4,015**	–
Loss on settlement of derivative financial instruments	**2,639**	–
Exchange losses, net	**2,025**	80

5. INCOME TAX EXPENSE

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

	For the six months ended 30 June 2014 RMB'000 (unaudited)	2013 RMB'000 (unaudited)
Current-Mainland China		
– Charge for the period	**52,508**	45,937
Deferred	**(1,226)**	11,785
Total tax charged for the period	**51,282**	57,722

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

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

No provision for Hong Kong, Macau and Nigeria profits tax has been made as the Group had no assessable profit derived from or earned in Hong Kong, Macau and Nigeria during the Period.

Mainland China profits tax has been provided at the respective Corporate Income Tax ("CIT") rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the People's Republic of China (the "PRC") for the Period.

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 Period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 693,405,714 (six months ended 30 June 2013: 646,680,855) in issue during the Period.

The calculation of the diluted earnings per share amount is based on the profit for the Period 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 Period, 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:

	For the six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Earnings		
Profit attributable to ordinary equity holders of the Company for the basic and diluted earnings per share calculations	**207,206**	170,919
Shares		
Weighted average number of ordinary shares in issue for basic earnings per share calculation	**693,405,714**	646,680,855
Effect of dilution – weighted average number of ordinary shares:		
Share options	**14,398,156**	14,505,340
	707,803,870	661,186,195

7. DIVIDENDS

No interim dividend was proposed by the directors of the Company in respect of the Period (six months ended 30 June 2013: nil).

8. TRADE AND BILLS RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2014 *RMB'000* *(unaudited)*	31 December 2013 *RMB'000*
Trade and bills receivables	**1,717,969**	1,803,818
Less: impairment	**(2,555)**	(2,555)
	1,715,414	1,801,263

As at 30 June 2014, trade and bills receivables contained retention money receivables of RMB217,809,000 (31 December 2013: RMB232,452,000).

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

	30 June 2014 *RMB'000* *(unaudited)*	31 December 2013 *RMB'000*
Within 3 months	**1,037,039**	1,137,479
3 to 6 months	**370,625**	452,994
6 to 12 months	**235,595**	141,781
1 to 2 years	**62,113**	66,813
2 to 3 years	**8,920**	1,053
Over 3 years	**1,122**	1,143
	1,715,414	1,801,263

	30 June 2014 *RMB'000* *(unaudited)*	31 December 2013 *RMB'000*
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	**63,422**	59,351
Deposits	**44,472**	35,562
Other receivables	**129,669**	135,025
	237,563	229,938
Less: Impairment	**(400)**	(400)
	237,163	229,538

9. TRADE AND BILLS PAYABLES

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

	30 June 2014 *RMB'000* *(unaudited)*	31 December 2013 *RMB'000*
Within 3 months	**622,582**	700,821
3 to 6 months	**550,825**	557,186
6 to 12 months	**24,441**	14,017
1 to 2 years	**11,460**	10,330
2 to 3 years	**6,743**	4,474
Over 3 years	**5,962**	6,133
	1,222,013	1,292,961

The trade and bills payables are non-interest bearing and are normally settled within one to six months.

10. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2014 *RMB'000* *(unaudited)*	31 December 2013 *RMB'000*
Interest rate swaps	**4,015**	–

Derivative financial instruments represent fair value losses of interest rate swap contracts as at 30 June 2014. The Group uses interest rate swaps to manage its interest rate risk. On 10 January 2014 and 23 January 2014, the Group entered into interest rate swap contracts with certain financial institutions, covering a period from 27 December 2013 to 18 July 2016 and 27 December 2013 to 18 July 2018, respectively. The interest rate swap contracts entitle the Group to receive interest at floating rates on an aggregate notional principal of USD 90 million (equivalent to approximately RMB554 million) and to pay interest at fixed rates or another floating rates on the same notional principal amount simultaneously. The Group agreed with one financial institution to swap the interest difference between fixed rates and floating rates, and agreed with another financial institution to swap the interest difference between different floating rates, on the deemed notional principal amounts on a six-month basis.

11. ISSUED CAPITAL

	30 June 2014 *US$'000* ***(unaudited)***	31 December 2013 *US$'000*
Authorised:		
1,200,000,000 ordinary shares of US$0.01 each	**12,000**	12,000
Issued and fully paid:		
694,151,996 (31 December 2013: 691,824,996) ordinary shares of US$0.01 each	**6,942**	6,918
Equivalent to RMB'000	**46,390**	46,247

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

	Number of shares in issue	**Issued capital** *RMB'000*
At 1 January 2014	**691,824,996**	**46,247**
Share options exercised (unaudited)	**2,327,000**	**143**
At 30 June 2014 (unaudited)	**694,151,996**	**46,390**

12. EVENTS AFTER THE REPORTING PERIOD

On 8 August 2014, the Company completed an issuance of RMB930,000,000 Convertible Bonds (the "Bond"). The net proceeds after deducting of commission expenses were approximately of RMB903,000,000. The net proceeds from the Bond issuance are intended to repay the Company's existing debt and for the use of its general operation.

Pursuant the offering circular, the Bond are converted into ordinary shares at price of HK$16.11 per share (subject to adjustments) when offering circular stated condition are met. Please refer to the Company's announcement dated 8 August 2014 regarding the completion of the issue of the Bond.

The Bond is listed in the Stock Exchange of Hong Kong Limited (Stock Code: 5790).

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 curtain wall, green building and solar projects. Solar projects included Building Integrated Photovoltaic System ("BIPV") system, roof top solar system and ground mounted solar system (collectively ("Solar EPC"); we also engaged in the manufacturing 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 and solar thermal system. In 2011, we also started a new business called Indium Tin Oxide ("ITO") business or "New material" business for the development of high-end 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.

Curtain wall and green building business

Despite the unfavourable market environment in the construction industry in China, the Group still recorded a 74.8% growth in curtain wall and green building business. The Mainland China government implemented various supporting program on green buildings. We therefore are strategically shifted our focus to green building and high-end curtain wall areas to explore new business opportunity.

Solar EPC business

The Group has firstly entered into the Solar EPC market in China in 2007, because of the strong support by the Golden Sun Program, our Solar EPC business recorded a significant growth over the past few years. In 2013, the Mainland China Government also launched National-wide Feed-in-Tariff Program ("FIT") and Distributive Power Program ("DG"). In 2014, the aggregate target from FIT and DG will not be less than 14GW, and the aggregate installation capacity by the end of 2015 will not be less than 35GW. The Mainland China will soon become the largest solar user in the World and we are confident to maintain the leading position in Solar EPC area.

As announced by the Company on 17 January 2014, we had totally 320MW of Solar EPC projects on hand, although the completion in first half 2014 did not meet our original expectation, we are still confident on the market development in second half 2014 and we expect to complete not less than 500MW projects this year.

Development of renewable energy goods and new materials

Apart from Solar EPC, we also produce different kind of renewable energy goods.

Renewable energy goods include solar photovoltaic materials and solar thermal products. Solar thermal products include air-source heat pump, solar heat collectors and solar heating system. Our long-term strategy is, through our innovative research and development team, to diversify the application of solar, and to widen the solar application in different area, like rural application and irrigation.

Self-develop solar projects

At 30 June 2014, the Group had around 180MW of solar projects completed, while 100MW projects are under the Golden Sun Program and the remaining 80MW projects are ground-mounted solar farm. During the period, the Group has another 60MW of ground-mounted solar farm under construction, and we target to build not less than 200MW in total this year.

Overseas business opportunities

Revenue outside Mainland China accounted for approximately 0.2% of our total revenue in first half of 2014. The Group has already secured some sizable orders in Macau and Malaysia, we expect the contribution from the overseas market will become more significant in second half 2014.

Strategic co-operation agreement

Pursuant to the Company's announcement dated 4 August 2014, the Company, GCL-Poly Energy Holdings Limited and GCL New Energy Holdings Limited, both are independent third parties, entered into the Strategic Cooperation Agreement (the "Agreement") on 30 July 2014. Pursuant to the Agreement, among other things, it is proposed that all parties will form a comprehensive strategic cooperation relationship in relation to the development, construction, operation and upstream and downstream cooperation in respect of distributed photovoltaic power stations, ground photovoltaic power stations, supply chain of manufacturing photovoltaic material, project engineering, asset cooperation of photovoltaic power stations and the smart micro-grids projects. Details of which has been set out in the announcement of the Company dated 4 August 2014.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	For the six months ended 30 June	
	2014	2013
	RMB million	*RMB million*
	(unaudited)	*(unaudited)*
Curtain wall and green building		
– Public work	**225.1**	124.4
– Commercial and industrial buildings	**618.8**	381.5
– High-end residential buildings	**74.7**	19.5
	918.6	525.4
Solar EPC		
– Public work	**37.0**	20.6
– Commercial and industrial buildings	**743.7**	798.6
	780.7	819.2
Construction contracts total	**1,699.3**	1,344.6
Sale of goods		
– conventional materials	**64.2**	138.2
– renewable energy goods	**485.8**	203.6
– new materials	**29.2**	13.1
	579.2	354.9
Rendering of design and other services	**7.4**	3.0
Sale of electricity	**5.4**	2.2
Total Revenue	**2,291.3**	1,704.7

Gross profit and gross profit margin	**For the six months ended 30 June**			
	2014		2013	
	RMB million (unaudited)	**%**	*RMB million (unaudited)*	%
Construction contracts				
– Curtain wall and green building	**147.5**	**16.1**	86.3	16.4
– Solar EPC	**221.2**	**28.3**	258.3	31.5
	368.7	**21.7**	344.6	25.6
Sale of goods				
– conventional materials	**11.4**	**17.8**	25.8	18.7
– renewable energy goods	**98.4**	**20.3**	51.7	25.4
– new materials	**10.6**	**36.3**	3.4	26.0
	120.4	**20.8**	80.9	22.8
Rendering of design and other services	**5.3**	**71.6**	2.2	73.3
Sale of electricity	**(1.9)**	**(35.2)**	–	–
Overall Gross Profit Margin	**492.5**	**21.5**	427.7	25.1

The Group's revenue increased by RMB586.6 million or 34.4%, from RMB1,704.7 million in first half 2013 to RMB2,291.3 million in first half 2014. Gross profit increased by RMB64.8 million, from RMB427.7 million in first half 2013 to RMB492.5 million in first half 2014.

1) Curtain wall and green building

The Group's revenue from curtain wall and green building business increased by RMB393.2 million or 74.8%. Although the Group's long term strategy is to shift its focus to more profitable solar-related business, in first half of 2014, the progress of Solar EPC is slower than our expectation because of the delay in announcement of the new DG policy. In order to maintain the growth of the Group, the management decided to spend more resources on high-end curtain walls as well as green building related projects, profit margin for curtain wall remained stable at around 16%.

2) Solar EPC

Revenue from Solar EPC dropped slightly by RMB38.5 million or 4.7%, gross margin for Solar EPC remained strong at 28.3% (six months ended 30 June 2013: 31.5%).

As mentioned above, the new supporting program under the DG is still under review, most of the DG potential orders of the Group are still on-hold and not much DG projects were completed in first half of 2014. Although the progress for solar EPC is slow in first half 2014, we are still confident on the general market environment in second half this year and we target to complete not less than 500MW projects this year.

3) *Sale of goods*

(i) Sale of conventional materials dropped by RMB74.0 million or 53.5%, because of the large increase in curtain wall and green building construction contracts utilised majority of the production capital of our fabrication plant, relatively less resources were available for material sale. Gross margin in first half of 2014 was 17.8% (six months ended 30 June 2013: 18.7%).

(ii) Sale of renewable energy goods increased by RMB282.2 million or 1.4 times, from RMB203.6 million in the six months ended 30 June 2013 to RMB485.8 million during the Period, gross margin was 20.3% (six months ended 30 June 2013: 25.4%). Although revenue from Solar EPC dropped slightly, the Group's revenue from solar material sale still increased by nearly 1.4 times. Apart from being contractors, the Group also provides material and engineering support for solar projects. The Group is a reputable solar EPC contractors and hence the order for our solar materials and engineering support is still strong in first half.

(iii) New materials represented a electricity-conductive material called Indium Tin Oxide ("ITO") and it will become transparent when electricity is connected. Our New materials include ITO film and ITO embedded glass, while the transparency of ITO embedded glass is adjustable by switching the power. Revenue from new materials sale increased by RMB16.1 million or 122.9% to RMB29.2 million and gross margin increased to 36.3% (six months ended 30 June 2013: 26.0%) because of technology improvement.

(iv) Sale of electricity increased by RMB3.2 million to RMB5.4 million during the Period. Apart from the Dong-Ao Island project, the Group also owned a 50MW ground-mounted solar farm in Gansu province and a 30MW project in Xinjiang province. The Xinjiang salar farm was completed in January 2014 and the on-grid procedure was completed in April 2014, approximately RMB10.4 million of electricity income was created in this project (RMB2.6 million was recognised as revenue and the remaining was recorded as other income). A gross loss of RMB2 million was recognised in first half of 2014, because RMB0.25/kwh of electricity income (RMB2.6 million) was recorded as revenue, and the remaining RMB0.75/kwh of government subsidy (RMB7.8 million) was recorded as other income. Under full operation, the Group expects the annual electricity income from the Xinjiang solar farm will not be less than RMB40 million. The on-grid application for the Gansu solar farm is still in progress and the Group expects that the approval can be ready soon.

Revenue and profit contribution from different business sectors:

Revenue split

	For the six months ended 30 June			
	2014		2013	
	RMB million	*%*	*RMB million*	*%*
Conventional business[1]	**990.2**	**43.2**	666.6	39.1
Renewable energy business[2]	**1,271.9**	**55.5**	1,025.0	60.1
New materials	**29.2**	**1.3**	13.1	0.8
	2,291.3	**100.0**	1,704.7	100.0

Gross Profit split

	For the six months ended 30 June			
	2014		2013	
	RMB million	***%***	*RMB million*	*%*
Conventional business[1]	**164.2**	**33.3**	114.3	26.7
Renewable energy business[2]	**317.7**	**64.5**	310.0	72.5
New materials	**10.6**	**2.2**	3.4	0.8
	492.5	**100.0**	427.7	100.0

1. Included curtain wall and green building construction contracts, sale of conventional materials and rendering of design and other services.

2. Included Solar EPC construction contracts, sale of renewable energy goods and sale of electricity.

Other income and gains

Other income and gains mainly represented interest income from bank deposits, government grants and deferred income released. During the Period, we received approximately RMB10.6 million (six months ended 30 June 2013: RMB6.6 million) from the government to reward our commitment to solar energy. Apart from that, approximately RMB16.9 million (six months ended 30 June 2013: RMB2.7 million) of deferred income was released during the Period.

Selling and distribution expenses

Selling and distribution expenses increased slightly by RMB1.8 million or 4.7%.

Administrative expenses

Administrative expenses increased by RMB12.4 million or 10.0%. The increase in administrative expenses was mainly driven by the increase in staff costs, depreciation and other business related expenses.

Other expenses

The increase in other expenses was mainly because of the fair value losses and the loss in settlement of interest rate swap contracts.

Finance costs

The Group's finance costs increased by RMB42.8 million. Interest expense on bank and other loans increased from RMB38.0 million in the first half year of 2013 to RMB62.1 million in the first half year of 2014. The main reason was the increase of the total bank and other loans. During the Period, the Group also incurred RMB23.5 million (six months ended 30 June 2013: RMB8.1 million) interest expense on discounted bills.

	For the six months ended 30 June	
	2014	2013
	RMB'million	*RMB'million*
Interest on bank and other loans wholly repayable within five years	**62.1**	38.0
Interest on discounted bills receivable	**23.5**	8.1
Others	**4.8**	1.4
	90.4	47.5

Income tax expense

Income tax expense during the Period included RMB52.5 million of taxation charge and RMB1.2 million of deferred tax credit. For the period ended 30 June 2013, it included RMB45.9 million of taxation charge and RMB11.8 million of deferred tax charge.

The RMB52.5 million of taxation charges represented the income tax provision for subsidiaries inside Mainland China.

During the Period, deferred tax credit of RMB1.2 million was recognised on the effect of government grants and discount in retention money. No deferred tax charges on dividend withholding tax based on 5% of the net profits in the operating subsidiaries located inside Mainland China were provided.

Deferred tax charges in previous period of RMB11.8 million mainly represented the provision for dividend withholding tax based on 5% of the net profit of our operating subsidiaries located inside Mainland China of RMB12.7 million and deferred tax credit of RMB0.9 million in respect of government grants recognised.

Healthy current ratio

The current ratio being current assets over current liabilities, was 1.40 as at 30 June 2014 (31 December 2013: 1.46).

Trade receivables/trade payables turnover days

	30 June 2014	31 December 2013
	(unaudited)	
Turnover days	**Days**	Days
Trade receivables	**138**	134
Trade payables	**126**	103

Trade receivables turnover days is calculated based on the average of the beginning and ending balances of trade and bills receivables, net of impairment, for the Period divided by the revenue during the Period and multiplied by the number of days during the Period. Trade and bills receivables turnover days at 30 June 2014 was 138 days, although there are 4 days increase in trade receivable days, the Directors believe that there shall have no collection problem. Trade and bills payables turnover days, which is calculated based on the average of the beginning and ending balances of trade and bills payables for the Period divided by the cost of sales during the Period and multiplied by the number of days during the Period, was 126 days. The Directors will continue to closely monitor the trade receivables and payables position for the long term sustainability and healthiness of the Group's operation.

Liquidity and financial resources

The Group's primary source of funding included the cashflow generated from operating activities and newly raised bank loans. As at 30 June 2014, the Group had approximately RMB931.3 million of cash and cash equivalents, approximately RMB370.4 million of pledged deposits and approximately RMB2.03 billion of bank and other 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 to 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. The Group's gearing ratio represented by consolidated net borrowings (total bank loans minus cash and cash equivalents) to total equity at 30 June 2014 was 39.9% (31 December 2013: 25.2%). The increase in gearing ratio was because new loans were raised to finance the Group's expansion. With the expected 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 Period amounted to RMB342.0 million and mainly represented the construction of self-invest solar system.

For the first half of 2013, capital expenditures amounted to approximately RMB436.2 million and mainly for the construction of self-invest solar system and the acquisition of land use rights.

Borrowings and bank facilities

The outstanding borrowings comprised bank loans of RMB2.03 billion with effective interest rates ranging from Hong Kong Inter Bank Offered Rate ("HIBOR") + 0.95% to HIBOR + 4% for property mortgage loan and revolving loans in Hong Kong, and London Inter Bank Offered Rate ("LIBOR") + 4.25% to 6% for an syndication loan in Hong Kong, and LIBOR + 2.5% for a short term loan in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 5.04% to 8.0%.

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 Period to a reasonably possible change in 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*
Six months ended 30 June 2014		
If RMB weakens against US$	**5%**	**(30,278)**
If RMB strengthens against US$	**(5%)**	**30,278**

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 Mainland China 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 the 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 the settlement from customers and payment to vendors.

Dividend

The Directors of the Company do not recommend any payment of interim dividend (six months ended 30 June 2013: nil).

HUMAN RESOURCES

As at 30 June 2014, the Group had about 2,300 employees. Employee salary and other benefit expenses increased to approximately RMB101.6 million in the first half year of 2014 from approximately RMB93.1 million in the first half of 2013, which represented an increase of 9.1%. This is because of the increase in headcount and the increase in salary and bonus. The Group's remuneration policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes for Hong Kong employees) or the state-managed retirement pension scheme (for Mainland China 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 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 the Company has applied the principles and complied with all the applicable code provisions set out in the Code since the Listing Date, except for the deviation from paragraph A.2.1 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.2.1 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, the Board believes that it is beneficial to the business prospects of the Group with Mr. Liu Hongwei performing both the roles of Chairman and Chief Executive Officer.

Model Code for Directors' Securities Transactions

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

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 unaudited interim condensed financial information and interim results for the Period.

Purchase, sale and redemption of Company's listed securities

There were no purchase, sale or redemption by the Company and any of its subsidiaries, of the Company's listed securities during the Period.

Publication of Results Announcement

This interim results announcement is available for viewing on the websites of The Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk and the Company's website at http://www.singyessolar.com and the 2014 interim report of the Company containing all the information required under the Listing Rules will be despatched to the shareholders of the Company 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, 28 August 2014

As at the date of this announcement, the executive Directors are Mr. Liu Hongwei (Chairman), 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.