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 2015

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 2015.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Revenue	**4,182,049**	5,011,426
Profit before tax	**447,370**	698,913
Income tax expense	**84,924**	114,074
Profits attributable to owners of the Company	**355,986**	584,269
Gross profit margin	**21.1%**	20.9%
Net profit margin	**8.5%**	11.7%
Earnings per share attributable to ordinary equity holders		
– Basic	**RMB0.512**	RMB0.842
– Diluted	**RMB0.376**	RMB0.687
Final dividend per share proposed	**HK$0.03**	HK$0.09

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2015	2014
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**4,182,049**	5,011,426
Cost of sales		**(3,297,666)**	(3,962,402)
Gross profit		**884,383**	1,049,024
Tariff adjustment	*3*	**57,387**	31,734
Other income and gains		**172,210**	201,887
Selling and distribution expenses		**(108,290)**	(88,988)
Administrative expenses		**(385,984)**	(270,689)
Other expenses		**(13,067)**	(101,851)
Finance costs		**(316,911)**	(237,923)
Share of losses of associates		**(5,944)**	—
Fair value gains on conversion right of convertible bonds		**163,586**	115,719
Profit before tax	*4*	**447,370**	698,913
Income tax expense	*5*	**(89,924)**	(114,074)
Profit for the year		**357,446**	584,839
Other comprehensive loss:			
Other comprehensive loss to be reclassified to profit or loss in subsequent years:			
Available-for-sale investments:			
Changes in fair value		**(5,228)**	—
Other comprehensive loss not to be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of financial statements		**(53,041)**	(4,388)
Other comprehensive loss for the year		**(58,269)**	(4,388)
Total comprehensive income for the year		**299,177**	580,451

	Note	Year ended 31 December 2015 RMB'000	2014 RMB'000
Profit attributable to:			
Owners of the Company		**355,986**	584,269
Non-controlling interests		**1,460**	570
		357,446	584,839
Total comprehensive income attributable to:			
Owners of the Company		**297,717**	579,881
Non-controlling interests		**1,460**	570
		299,177	580,451
Earnings per share attributable to ordinary equity holders of the Company			
– Basic	*6*	**RMB0.512**	RMB0.842
– Diluted	*6*	**RMB0.376**	RMB0.687

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December **2015** ***RMB'000***	 2014 *RMB'000*
Non-current assets			
Property, plant and equipment		**3,835,238**	3,455,071
Prepaid land lease payments		**96,136**	97,513
Intangible assets		**3,486**	1,594
Payments in advance		**30,137**	193,224
Goodwill	*8*	**—**	—
Investments in associates	*9*	**(4,744)**	—
Deferred tax assets	*15*	**34,107**	32,508
Available-for-sale equity investments		**51,000**	12,258
Total non-current assets		**4,045,360**	3,792,168
Current assets			
Inventories		**93,171**	114,586
Construction contracts		**927,498**	284,485
Trade and bills receivables	*10*	**2,292,195**	2,160,501
Prepayments, deposits and other receivables	*10*	**652,390**	455,266
Pledged deposits		**376,055**	500,327
Cash and cash equivalents		**1,265,303**	901,417
Total current assets		**5,606,612**	4,416,582
Current liabilities			
Trade and bills payables	*11*	**903,503**	1,284,332
Other payables and accruals	*11*	**331,289**	314,354
Derivative financial instruments	*12*	**—**	3,042
Bank advances for discounted bills		**251,669**	184,378
Interest-bearing bank and other loans		**1,040,777**	987,521
Tax payable		**12,747**	17,628
Total current liabilities		**2,540,015**	2,791,255
Net current assets		**3,066,597**	1,625,327
Total assets less current liabilities		**7,111,957**	5,417,495
Non-current liabilities			
Convertible bonds	*13*	**697,569**	816,269
Senior notes	*14*	**746,692**	542,822
Interest-bearing bank and other loans		**1,541,906**	391,679
Deferred tax liabilities	*15*	**86,860**	86,860
Deferred income	*16*	**537,807**	439,273
Total non-current liabilities		**3,610,834**	2,276,903
Net assets		**3,501,123**	3,140,592
Equity attributable to owners of the Company			
Issued capital	*17*	**46,443**	46,466
Reserves		**3,378,179**	3,093,520
		3,424,622	3,139,986
Non-controlling interests		**76,501**	606
Total equity		**3,501,123**	3,140,592

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 Center, 168-200 Connaught Road Central, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the design, manufacture, supply and installation of conventional curtain walls and building integrated photovoltaic systems, as well as the manufacture and sale of solar power products. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors, the parent and the ultimate holding company of the Company is Strong Eagle Holdings Limited , which is incorporated in the British Virgin Islands.

2.1 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 Standards 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 derivative financial instruments, conversion rights of convertible bonds, and certain available-for-sale 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 2015. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. 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) the 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, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements 2010-2012 Cycle	
Annual Improvements 2011-2013 Cycle	

The adoption of the above revised standards has had no significant financial effect on these financial statements.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange (the "HKSE") (the "Listing Rules") relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

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 9	*Financial Instruments*[3]
Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[6]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
IFRS 14	*Regulatory Deferral Accounts*[5]
IFRS 15	*Revenue from Contracts with Customers*[3]
IFRS 16	*Leases*[4]
Amendments to IAS 1	*Disclosure Initiative*[1]
Amendments to IAS 7	*Disclosure Initiative*[2]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[2]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	*Amendments to a number of IFRSs*[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for annual periods beginning on or after 1 January 2019
5 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
6 No mandatory effective date yet determined but is available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. In July 2015, the IASB issued an amendment to IFRS 15 regarding a one-year deferral of the mandatory effective date of IFRS 15 to 1 January 2018. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

In January 2016, the IASB issued IFRS 16 which requires lessees to recognise assets and liabilities for most leases. Under the new standard, a lease is a contract, or part of a contract, that conveys the right to use an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset if, throughout the period of use, the customer has the right to obtain substantially all of the economic benefits from the use of the identified asset and direct the use of the identified asset. Lessees are required to initially recognise a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the identified asset for the lease term. Subsequently, lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made. The related right-of-use asset is depreciated in accordance with the depreciation requirements of IAS 16 *Property, Plant and Equipment*. For lessors, there is little change to the existing accounting in IAS 17 *Leases*. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS 16 upon adoption.

Amendments to IAS 1 include narrow-focus improvement in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in IAS 1;
(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that the entities have flexibility as to the order in which they present the notes to the financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and statement of profit or loss. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

In January 2016, the IASB published Amendments to IAS 7. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments are not expected to have any significant impact on the financial position or performance of the Group upon adoption on 1 January 2017.

Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

3. OPERATING SEGMENT INFORMATION AND REVENUE

Revenue represents an appropriate proportion of contract revenue of construction contracts, net of business tax and government surcharges; and invoiced value of goods and electricity sold, and net of value-added tax and government surcharges.

The Group's revenue and contribution to profit for the year were mainly derived from construction and installation of curtain wall (including solar power products), as well as operation and management of solar photovoltaic power station, 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.

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:

	2015		2014	
	RMB'000	***%***	*RMB'000*	*%*
Construction contracts	**2,748,251**	**65.7**	3,735,211	74.6
Sale of goods	**1,365,059**	**32.6**	1,246,727	24.9
Rendering of design services	**8,056**	**0.2**	9,810	0.2
Sale of electricity	**60,683**	**1.5**	19,678	0.3
Revenue	**4,182,049**	**100.0**	5,011,426	100.0
Tariff adjustment*	**57,387**		31,734	

* Tariff adjustment represents subsidy receivable from the government authorities in respect of the Group's solar photovoltaic power station business.

Geographical information

(a) Revenue from external customers

	2015		2014	
	RMB'000	***%***	*RMB'000*	*%*
Domestic – Mainland China *	**3,905,623**	**93.4**	4,969,965	99.2
Malaysia	**42,469**	**1.0**	21,702	0.4
Macau	**122,387**	**2.9**	14,578	0.3
Hong Kong	**111,570**	**2.7**	5,181	0.1
	4,182,049	**100.0**	5,011,426	100.0

* The 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

	2015		2014	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	**3,941,838**	**99.4**	3,730,973	99.6
Hong Kong	**22,770**	**0.6**	16,429	0.4
Others	**389**	**0.0**	—	—
	3,964,997	**100.0**	3,747,402	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 from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

	2015	2014
	RMB'000	*RMB'000*
Customer A	**518,861**	*
Customer B	**448,880**	*
Customer C	*	1,038,109

* Less than 10%

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2015	2014
	RMB'000	*RMB'000*
Cost of construction contracts and design services	**2,175,804**	2,931,638
Cost of inventories sold	**1,052,946**	1,009,354
Cost of electricity sold	**68,916**	21,410
Depreciation	**134,489**	110,910
Amortisation of prepaid land lease payments	**2,252**	2,183
Amortisation of intangible assets	**1,013**	687
Total depreciation and amortisation	**137,754**	113,780
Employees benefit expense (including directors' and chief executive's remuneration)	**267,980**	190,006
Minimum lease payments under operating leases	**6,179**	5,599
Research costs	**16,189**	20,016
Auditors' remuneration	**9,109**	7,001
Impairment loss on property, plant and equipment	**—**	6,747
Impairment loss on goodwill	**9,783**	—
Impairment loss on trade receivables	**26,771**	278
Impairment loss on other receivables	**2,485**	1,693
Loss on settlement of derivative financial instruments	**4,813**	3,551
Fair value loss on derivative financial instruments	**—**	3,042
Issue expense of convertible bonds charged to profit or loss	**—**	10,102
Loss/(gains) on disposal of items of property, plant and equipment	**(12,332)**	72,747
Exchange losses/(gains), net	**(22,657)**	3,017

5. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the respective countries or 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, Malaysia, Singapore and Nigeria profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong, Malaysia, Singapore and Nigeria during the year.

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 PRC for the year.

Macau profits tax has been provided at the applicable CIT rate of 12% as determined in accordance with the Macau income tax rules for the year.

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

	2015	2014
	RMB'000	*RMB'000*
Current – Charge for the year		
– Mainland China	**90,124**	125,084
– Macau	**1,399**	—
Deferred *(note 15)*	**(1,599)**	(11,010)
Total tax charge for the year	**89,924**	114,074

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for the countries or jurisdictions in which companies within the Group are domiciled to the tax expense at the effective tax rate is as follows:

	Notes	**2015** **RMB'000**	2014 *RMB'000*
Profit before tax		**447,370**	698,913
At the applicable tax rates	*(a)*	**76,647**	108,637
Effect of tax holiday		**(4,964)**	—
Income not subject to tax	*(b)*	**(38,317)**	(7,933)
Expenses not deductible for tax	*(c)*	**48,742**	7,533
Tax losses utilised from previous years		**(2,358)**	(2,296)
Tax losses not recognised		**10,024**	8,133
Effect of tax rate change		**150**	—
Tax charge at the Group's effective tax rate		**89,924**	114,074

(a) The applicable CIT rate for Mainland China subsidiaries is 25% except for certain subsidiaries that would be entitled to preferential tax rates as discussed below:

For Mainland China subsidiaries which are qualified as High and New Technology Enterprises, they would be entitled to a preferential tax rate of 15%. For subsidiaries engaging in the approved projects of solar power construction, they will be exempted from CIT for the first three years and are entitled to a 50% tax reduction for the subsequent three years ("三免三減半") since their respective first revenue-generating year. Thereafter, they will be subject to CIT at a rate of 25%.

(b) Income not subject to tax mainly consists of unrealised foreign exchange gains and the fair value gains on conversion rights of convertible bonds.

(c) Expenses not deductible for tax mainly consist of equity-settled share option expenses and finance costs incurred in offshore companies. These expenses are not expected to be deductible for tax.

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 695,806,347 (2014: 694,193,675) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company as used in the basic earnings per share calculation, adjusted to reflect the interest on the convertible bonds and fair value gains on the conversion rights of the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the weighted average 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 or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	2015	2014
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation:	**355,986**	584,269
Interest on convertible bonds	**100,610**	37,762
Less: fair value gains on the conversion rights of the convertible bonds	**(163,586)**	(115,719)
Profit attributable to ordinary equity holders of the Company before interest on convertible bonds and fair value gains on the conversion rights of the convertible bonds	**293,010**	506,312

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**695,806,347**	694,193,675
Effect of dilution – weighted average number of ordinary shares:		
Share options	**11,617,510**	14,101,924
Convertible bonds	**71,941,829**	28,828,025
	779,365,686	737,123,624

7. DIVIDENDS

	2015	2014
	RMB'000	*RMB'000*
Proposed final – HK3 cents (2014: HK9 cents) per ordinary share	**17,469**	49,374

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. GOODWILL

	2015
	RMB'000
At 1 January	—
Acquisition of a subsidiary *(note 18)*	**9,783**
Impairment during the year	**(9,783)**
At 31 December	—

Goodwill, which arose from the acquisition of Singyes Engineering (M) Sdn. Bhd. ("Malaysia Singyes") on 29 June 2015, represented the excess of the cost of the business combination over the Company's interest in the fair value of Malaysia Singyes's net identifiable assets at the date of acquisition (note 18). Goodwill acquired through business combination is allocated to the Malaysia Singyes cash generating unit ("Malaysia CGU") for impairment testing purposes. The Group performed its annual impairment test as at 31 December 2015. The sharp fall in Malaysia currency exchange rate against major international currencies in 2015 and the ongoing economic uncertainty, have led to the recognition of expected losses for construction projects undertaken by Malaysia Singyes during the year. As at 31 December 2015, Malaysia Singyes has a net deficit position, the recoverable amount of Malaysia CGU was assumed to be zero. Management has assessed that the fair value of the Malaysia CGU approximates to the net carrying amounts of the respective assets less liabilities of Malaysia Singyes largely due to the short term maturities of these assets and liabilities. It was concluded by management that the value in use did not exceed the fair value less costs of disposal. As a result of this analysis, management has fully impaired the goodwill of RMB9,783,000.

9. INVESTMENTS IN ASSOCIATES

	2015 ***RMB'000***
Unlisted investments, at cost	**1,200**
Share of losses of associates	**(5,944)**
Aggregate carrying amount of the Group's investments in the associates	**(4,744)**

In the opinion of the management, there's no material associate of the Group during the year.

The Group's shareholdings in the associates are held through the subsidiaries of the Company.

The Group continued the recognition of its share of losses of associates despite the share of losses of these associates exceeded the Group's interest in these associates because the Group has a capital contribution obligation to these associates.

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

	2015	2014
	RMB'000	*RMB'000*
Trade and bills receivables	**2,319,622**	2,163,334
Less: impairment	**(27,427)**	(2,833)
	2,292,195	2,160,501

As at 31 December 2015, trade receivables contained retention money receivables of RMB273,088,000 (2014: RMB299,731,000). Retention money receivables are normally collected within one to five years after the completion of the relevant construction works.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2015	2014
	RMB'000	*RMB'000*
Within 3 months	**860,566**	1,381,758
3 to 6 months	**435,525**	519,414
6 to 12 months	**629,739**	126,922
1 to 2 years	**318,022**	118,257
2 to 3 years	**42,097**	14,080
Over 3 years	**6,246**	70
	2,292,195	2,160,501

	2015	2014
	RMB'000	*RMB'000*
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	**165,997**	169,013
Deposits	**65,731**	49,934
Tariff adjustment receivables*	**99,355**	31,734
Other receivables	**325,885**	206,678
	656,968	457,359
Less: impairment	**(4,578)**	(2,093)
	652,390	455,266

* The Group's tariff adjustment receivables from the sale of electricity are mainly receivables from the State Grid. Tariff adjustment receivables represented the government subsidies on renewable energy for ground projects to be received from the State Grid based on the existing government policies.

11. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS

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, where appropriate, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 3 months	**365,420**	419,822
3 to 6 months	**411,341**	555,872
6 to 12 months	**88,685**	278,953
1 to 2 years	**21,114**	14,366
2 to 3 years	**3,974**	7,848
Over 3 years	**12,969**	7,471
	903,503	1,284,332

The trade and bills payables are non-interests-bearing and are normally settled on six-month terms.

	2015	2014
	RMB'000	*RMB'000*
Other payable and accruals		
Advances from customers	**122,042**	32,355
Tax and surcharge payables	**66,566**	41,738
Accrued expenses	**17,520**	18,731
Other payables	**125,162**	221,530
	331,289	314,354

Other payables and accruals are unsecured, non-interest-bearing and have no fixed terms of repayment.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2015	2014
	RMB'000	*RMB'000*
Interest rate swaps	**—**	3,042

The Group uses interest rate swaps to manage its interest rate risk. On 30 June 2015, the Group entered into interest rate swap contracts with the bank, covering periods from 30 June 2015 to 29 June 2018. The interest rate swap contracts entitle the Group to receive interest at floating rates on an aggregate notional principal of US$5 million (equivalent to approximately RMB32 million) and to pay interest at fixed rates on the same notional amount principal simultaneously. The Group agreed with the bank to swap the interest difference between fixed rates and floating rates, on the deemed notional principal amounts on a three-month basis. As at 31 December 2015, the fair value of the interest rate swaps is estimated to be zero.

13. CONVERTIBLE BONDS

	Notes	2015 RMB'000	2014 RMB'000
Convertible bonds, liability component	*(a)*	**634,017**	589,131
Fair value of embedded derivatives	*(b)*	**63,552**	227,138
		697,569	816,269

On 8 August 2014, the Company issued 930 units 5% convertible bonds in the denomination of RMB1,000,000 each due 8 August 2019 (the "2019 Convertible Bonds") with a nominal value of RMB930,000,000. The Company repurchased 6 units of these convertible bonds during the year.

The salient terms and conditions of the 2019 Convertible Bonds are as follows:

(i) Interest rate

The Company shall pay an interest on the 2019 Convertible Bonds at 5.0% per annum.

(ii) Conversion price

The 2019 Convertible Bonds will be convertible into the company's ordinary shares at the initial conversion price of HK$16.11 per share, subject to adjustments. Amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, rights issues of shares or options over shares, rights issues of other securities, issues at less than the current market price, other issues at less than the current market price, modification of rights of conversion etc., other offers to shareholders, change of control and other usual adjustment events. The conversion price may not be reduced so that the conversion shares would fall to be issued at a discount to their par value.

(iii) Maturity

Unless previously redeemed, converted, or purchased and cancelled, the Company will redeem each of the 2019 Convertible Bonds at the US Dollar equivalent of the RMB principal amount on 8 August 2019.

(iv) Redemption at the option of the Company

The Company may:

(1) Upon giving not less than 30 nor more than 60 days' notice to the bondholders, at any time after 8 August 2017 but not less than 14 days prior to the maturity date redeem the bonds in whole but not in part at a redemption price at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date; provided that no such redemption may be made unless the closing price of the shares (translated into RMB at the RMB:HK$ fixed rate as set out in the terms and conditions of the 2019 convertible bonds) for 20 out of 30 consecutive trading days ending on a date which is no more than three stock exchange business days immediately prior to the date upon which notice of such redemption is given, was at least 130%. of the conversion price then in effect (translated into RMB at the RMB:HK$ fixed rate as set out in the terms and conditions of the 2019 convertible bonds); or

(2) Upon giving not less than 30 nor more than 90 days' notice to the bondholders and the Trustee (which notice will be irrevocable), the Company may at any time redeem all, but not some only, of the bonds for the time being outstanding at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date provided that prior to the date of such notice at least 90% of the RMB principal amount of the bonds originally issued have already been converted, redeemed or purchased and cancelled.

(v) Redemption at the option of the holders

The Company will, at the option of the holder of any 2019 Convertible Bonds, redeem all or some only of such holder's 2019 Convertible Bonds on 8 August 2017 at the US Dollar equivalent of the RMB principal amount.

(vi) Redemption of delisting or change of control

Following the occurrence of a change of control (means when Mr. Liu Hongwei ceases for any reason to be the majority shareholder of the Company or any other events lead to the significant change of the ownership structure of the Company, "Change of Control") or delisting of the Company (including suspension of trading of the Shares on the stock exchange for a period equal to or more than 20 consecutive trading days) (the "Relevant Event"), the holder will have the right to require the Company to redeem all, or but not some only, of such holder's 2019 Convertible Bonds at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to the date fixed for redemption.

The fair value of the 2019 Convertible Bonds was determined by an independent qualified valuer based on the binomial option pricing model. The carrying amount of the liability component on initial recognition was measured at the proceeds of the 2019 Convertible Bonds (net of transaction cost) minus the fair value of the embedded derivatives of the 2019 Convertible Bonds.

(a) Liability component

	2015	2014
	RMB'000	*RMB'000*
Liability component at 1 January 2015 (2014: 8 August 2014)	**589,131**	569,842
Effective interest recognised for the year	**100,610**	37,762
Interest payable during the year	**(50,427)**	(18,473)
Repurchase of bonds	**(5,297)**	—
At 31 December	**634,017**	589,131

(b) Conversion rights

	2015	2014
	RMB'000	*RMB'000*
Fair value of conversion rights at 1 January 2015 (2014: 8 August 2014)	**227,138**	342,857
Less: fair value changes of conversion rights	**(163,586)**	(115,719)
Fair value of conversion rights at 31 December	**63,552**	227,138

The fair value change in the conversion rights for the year ended 31 December 2015 is RMB163,586,000 (2014: RMB115,719,000), which is recognised in profit or loss and disclosed separately. The related interest expense of the liability component of the 2019 Convertible Bonds for the year ended 31 December 2015 amounted to RMB100,610,000 (2014: RMB37,762,000), which is calculated using the effective interest method with an effective interest rate of 17.79%.

14. SENIOR NOTES

		2015	2014
	Notes	***RMB'000***	*RMB'000*
2017 Senior Notes	*(a)*	**548,200**	542,822
2018 Senior Notes	*(b)*	**198,492**	—
		746,692	542,822

(a) 2017 Senior Notes

On 21 November 2014, the Company issued 7.875% senior notes with an aggregate nominal value of RMB560,000,000 (the "2017 Senior Notes") at face value. The net proceeds, after deducting the issuance costs, amounted to RMB542,327,000. The 2017 Senior Notes mature on 21 November 2017 and have been listed on the HKSE (stock code: 85704).

The major terms and conditions of the 2017 Senior Notes are as follows:

(i) Redemption at the option of the Company

Upon giving not less than 30 nor more than 60 days' notice to the holders, at any time, the Company may at its option to redeem the notes at a redemption price equal to 100% of the principal amount plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The applicable premium is the greater of (1) 1.0% of the principal amount and (2) the excess of (A) the present value at such redemption date of 100% of the principal amount, plus all required remaining scheduled interest payments due on the 2017 Senior Notes through the maturity date (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to 2%, over (B) the principal amount on the redemption date.

Upon giving not less than 30 days' nor more than 60 days' notice to the holder, at any time, the Company may at its option redeem up to 35% of the aggregate principal amount of the 2017 Senior Notes with the net cash proceeds of one or more sales of common stock of the Company in one or more equity offerings at a redemption price of 107.875% of the principal amount of the 2017 Senior Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Senior Notes remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

(ii) Repurchase of the 2017 Senior Notes upon a Change of Control

Not later than 30 days following a change of control, the Company will make an offer to purchase all outstanding 2017 Senior Notes (a "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Change of Control Offer payment date.

As the estimated fair value of the early redemption right is insignificant at initial recognition, the embedded derivative is not separately accounted for. The effective interest rate is approximately 9.33% per annum after the adjustment for transaction costs.

The 2017 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	2017 Senior Notes
	RMB'000
Nominal value of 2017 Senior Notes	560,000
Issue costs	(17,673)
Fair value at date of issuance	542,327
Effective interest recognised for the year	5,328
Interest payable	(4,833)
Carrying amount at 31 December 2014 and at 1 January 2015	542,822
Effective interest recognised for the year	49,478
Interest payable	(44,100)
Carrying amount at 31 December 2015	548,200
Fair value of the 2017 Senior Notes*	525,694

* The fair values of the 2017 Senior Notes are determined based on the price quoted on the HKSE on 31 December 2015.

(b) 2018 Senior Notes

On 30 January 2015, the Company issued 7.75% senior notes with an aggregate nominal value of HK$250,000,000 (equivalent to approximately RMB197,150,000) at face value, which will mature in February 2018 (the "2018 Senior Notes"). The 2018 Senior Notes will only be offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended. None of the 2018 Senior Notes will be offered to the public in Hong Kong and none of the 2018 Senior Notes will be placed to any connected persons of the Company. The net proceeds, after deducting the issuance costs, amounted to approximately RMB182,492,000.

The major terms and conditions of the 2018 Senior Notes are as follows:

(i) Redemption at the option of the Company

Upon giving not less than 30 days' nor more than 60 days' notice to the holder, at any time, the Company may at its option redeem the notes at a redemption price equal to 100% of the principal amount plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The applicable premium is the greater of (1) 1.0% of the principal amount and (2) the excess of (A) the present value at such redemption date of 100% of the principal amount, plus all required remaining scheduled interest payments due on the 2018 Senior Notes through the maturity date (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to 2%, over (B) the principal amount on the redemption date.

Upon giving not less than 30 days' nor more than 60 days' notice to the holder, at any time, the Company may at its option redeem up to 35% of the aggregate principal amount of the 2018 Senior Notes with the net cash proceeds of one or more sales of common stock of the Company in one or more equity offerings at a redemption price of 107.75% of the principal amount of the 2018 Senior Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

(ii) Repurchase of the 2018 Senior Notes upon a Change of Control

Not later than 30 days following a Change of Control, the Company will make an offer to purchase all outstanding 2018 Senior Notes ("2018 Senior Notes Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the 2018 Senior Notes Change of Control Offer payment date.

As the estimated fair value of the early redemption right is insignificant at initial recognition, the embedded derivative is not separately accounted for. The effective interest rate is approximately 11.06% per annum after the adjustment for transaction costs.

The 2018 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	2018 Senior Notes
	RMB'000
Nominal value of 2018 Senior Notes	197,150
Issue costs	(14,658)
Fair value at date of issuance	182,492
Effective interest recognised for the year	17,807
Interest payable during the year	(13,860)
Exchange realignment	12,053
Carrying amount at 31 December 2015	198,492
Fair value of the 2018 Senior Notes *	215,814

* The fair values of the 2018 Senior Notes have been calculated by discounting the contractual cash flows over the remaining contractual term of the 2018 Senior Notes at the risk-free interest rate plus credit spread and liquidity spread.

15. DEFERRED TAX

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

Deferred tax assets

	Tax loss	Government grants	Discount in retention receivables	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2014	—	19,389	2,109	—	21,498
Deferred tax credited/(charged) to profit or loss during the year *(note 5)*	6,070	(707)	3,657	1,990	11,010
At 31 December 2014 and at 1 January 2015	6,070	18,682	5,766	1,990	32,508
Deferred tax credited/(charged) to profit or loss during the year *(note 5)*	(3,734)	4,924	(3,423)	3,832	1,599
At 31 December 2015	2,336	23,606	2,343	5,822	34,107

The Group has tax losses arising in Malaysia, Singapore and Hong Kong of RMB88,208,000 (2014: RMB54,636,000) that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. The Group also has tax losses arising in Mainland China of RMB46,603,000 (2014: RMB31,020,000) that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss making and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax liabilities

	Withholding taxes
	RMB'000
At 1 January 2015 and 31 December 2015	86,860

Under the CIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated statement of financial position in respect of temporary differences attributable to the profits of the PRC subsidiaries during the year, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB848,182,000 as at 31 December 2015 (31 December 2014: RMB512,992,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

16. DEFERRED INCOME

	2015	2014
	RMB'000	*RMB'000*
Government grants		
At 1 January	**439,273**	555,044
Government grants related to assets received during the year	**175,724**	39,914
Released to profit or loss:		
Over the expected useful lives of the related assets	**(32,985)**	(24,459)
Upon disposal of the related assets	**(44,205)**	(131,226)
At 31 December	**537,807**	439,273

Deferred income represented government grants received by the Group in respect of the construction of roof top solar power stations under the "Golden Sun Demonstration Project", and other items of property, plant and equipment.

The deferred income is released to profit or loss at the annual instalment to match with the expected useful lives of the relevant assets.

17. SHARE CAPITAL

	2015	2014
	US$'000	*US$'000*
Shares		
Authorised		
1,200,000,000 ordinary shares of US$0.01 each	**12,000**	12,000
Issued and fully paid:		
695,060,996 (2014: 695,395,996) ordinary share of US$0.01 each	**6,951**	6,954
Equivalent to RMB'000	**46,443**	46,466

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

	Notes	**Number of shares in issue**	**Issued capital** *RMB'000*
At 1 January 2014		**691,824,996**	**46,247**
Share options exercised		**3,571,000**	**219**
At 31 December 2014 and 1 January 2015		**695,395,996**	**46,466**
Repurchase of share	*(a)*	**(1,369,000)**	**(87)**
Share options exercised	*(b)*	**1,034,000**	**64**
At 31 December 2015		**695,060,996**	**46,443**

Notes:

(a) During the year, the Company repurchased totally 1,369,000 of its own ordinary shares on the HKSE within prices ranging from HK$4.33 to HK$4.45 per share, all of which were cancelled during the year. The issued capital of the cancelled shares was reduced by the par value and the premium paid thereon has been charged to share premium of the Company accordingly.

(a) The subscription rights attaching to 384,000 share options were exercised at the subscription price of HK$3.58 per share and 650,000 share options were exercised at the subscription price of HK$2.78 per share, respectively, resulting in the issue of 1,034,000 shares for a total cash consideration, before expenses, of HK$3,181,720 (equivalent to approximately RMB2,532,000). An amount of RMB2,468,000 was transferred from the share option reserve to share capital upon the exercise of the share options.

18. BUSINESS COMBINATION

On 29 June 2015, the Group acquired 99.99% equity interest in Malaysia Singyes by way of capital injection of Ringgit Malaysia ("MYR") 999,998 into the issued capital of Malaysia Singyes. As a result of the capital injection, the share capital of Malaysia Singyes increased from MYR2 to MYR1,000,000 (equivalent to approximately RMB1,639,000).

Malaysia Singyes is engaged in the supply and installation of curtain walls. The acquisition was made as part of the Group's strategy to expand its market share of supply and installation of curtain walls in Malaysia. The acquisition has been accounted for using the acquisition method.

The Group has elected to measure the non-controlling interest in Malaysia Singyes at the non-controlling interest's proportionate share of Malaysia Singyes's identifiable net assets.

The fair values of the identifiable assets and liabilities of Malaysia Singyes at the date of acquisition were as follows:

	RMB'000
Property, plant and equipment	419
Cash and bank balances	5,172
Trade receivables	9,240
Construction contracts	10,430
Prepayments, deposits and other receivables	2,069
Trade payables	(4,094)
Tax payable	(489)
Other payables and accruals	(30,891)
Total identifiable net assets at fair value	(8,144)
Non-controlling interests	—
Goodwill on acquisition *(note 8)*	9,783
Satisfied by cash	1,639

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(1,639)
Cash and bank balances acquired	5,172
Net inflow of cash and cash equivalents included in cash flows from investing activities	3,533

The resulting goodwill is determined to be RMB9,783,000 and is attributable to strengthening the competitiveness of the Group, expanding its market share of supply and installation of curtain walls in Malaysia.

Since the acquisition, Malaysia Singyes contributed RMB28,189,000 to the Group's revenue and RMB6,344,000 loss and other comprehensive loss to the consolidated results for the year ended 31 December 2015.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been RMB4,222,393,000 and RMB346,828,000, respectively.

19. DISPOSAL OF A SUBSIDIARY

	2015
	RMB'000
Net assets disposed of:	
Cash and bank balances	**4,855**
Prepayments, deposits and other receivables	**94,782**
Other payables and accruals	**(4,012)**
	95,625
Gain on disposal of a subsidiary	**—**
Satisfied by cash	**95,625**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	RMB'000
Cash consideration	**95,625**
Other receivables	**(64,832)**
Cash and bank balances disposed of	**(4,855)**
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	**25,938**

20. EVENT AFTER THE REPORTING PERIOD

As at the date of approval of the financial statements, the Group has no significant events after the reporting period that need to be disclosed.

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 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. 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.

FUTURE PLAN AND STRATEGIES

Curtain wall and green building business

The revenue from curtain wall and green building business dropped mainly because of the unfavorable construction industry environment in China. At the same time, curtain wall business in the overseas market recorded growth in revenue as compared to the previous year. In 2016, the domestic market is expected to remain stable while strong demand is expected in the overseas market.

Solar EPC business

We are a one-stop solution provider in Solar EPC, despite the lower-than-expected demand, our gross margin remain strong.

Nonetheless, the solar industry in China has been facing challenges arising from two major issues. Firstly, there was significant delay in the settlement of the government subsidies. Secondly, curtailment issues were noted for solar power stations in provinces in the northwest region in China. Therefore, potential investors have been more cautious in investing in solar projects in China, and this has in turn affected our solar EPC business.

In 2016, our focus would be in those regions where curtailment is less significant, such as provinces in Southern and Eastern part of China.

Development of renewable energy goods

Apart from solar EPC, we also produce different kinds 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-developed solar projects

At 31 December 2015, the Group had around 207MW of grid connected solar projects, of which 85MW projects are under the Golden Sun Pilot Projects Program and the remaining 122MW projects are ground-mounted solar farm. The Group also has approximately 99MW projects awaiting for grid connection, while 81.5MW are grand-mounted solar farm and the remaining 17.5MW are reef-top projects.

Solar power generation business recorded gross loss mainly because of the curtailment issues for solar energy power stations in provinces in northwest region in China as mentioned above.

Overseas business opportunities

Revenue outside China accounted for approximately 6.3% of our total revenue in the year 2015 (2014:0.8%). We anticipate contribution from the overseas market (including Hong Kong, Macau and Malaysia) will be growing if the construction progress of the sizeable contracts is on schedule.

In the meantime, we keep looking into opportunities in solar EPC projects in the overseas market.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	2015	2014
	RMB million	*RMB million*
Curtain walls and green buildings		
– Public work	**292.9**	335.7
– Commercial and industrial	**781.5**	1,076.9
– High-end residential	**206.1**	258.2
	1,280.5	1,670.8
Solar EPC		
– Public work	**0.2**	49.7
– Commercial and industrial	**1,467.5**	2,014.7
	1,467.7	2,064.4
Total construction contracts	**2,748.2**	3,735.2
Sale of goods		
– Conventional materials	**282.4**	186.3
– Renewable energy goods	**1,022.4**	1,015.6
– New materials	**60.3**	44.8
Total sale of goods	**1,365.1**	1,246.7
Rendering of design and other services	**8.0**	9.8
Sale of electricity, including tariff adjustment	**118.1**	51.4
	4,239.4	5,043.1
Tariff adjustment	**(57.4)**	(31.7)
Total revenue	**4,182.0**	5,011.4

Gross profit and gross profit margin

	2015		2014	
	RMB million	*%*	*RMB million*	*%*
Construction contracts				
– Curtain walls and green buildings	**177.0**	**13.8**	255.5	15.3
– Solar EPC	**397.1**	**27.1**	550.3	26.7
	574.1	**20.9**	805.8	21.6
Sale of goods				
– Conventional materials	**53.0**	**18.8**	31.3	16.8
– Renewable energy goods	**235.4**	**23.0**	191.6	18.9
– New materials	**23.7**	**39.3**	14.5	32.4
	312.1	**22.9**	237.4	19.0
Rendering of design and other services	**6.5**	**81.3**	7.5	76.5
Sale of electricity, including tariff adjustment	**49.1**	**41.6**	30.0	58.4
Total gross profit and gross profit margin including tariff adjustment	**941.8**	**22.2**	1,080.7	21.4

The Group's revenue (including electricity tariff adjustment) dropped by RMB803.7 million or 15.9%, from RMB5,043.1 million in the year 2014 to RMB4,239.4 million in the year 2015. Gross profit (including electricity tariff adjustment) decreased by RMB138.9 million, from RMB1,080.7 million in the year 2014 to RMB941.8 million in the year 2015.

1) Curtain wall and green building

The Group's revenue from curtain wall and green building business dropped by RMB390.3 million or 23.4% because of the reduced building construction activities in China. Owing to the fact that low gross profit margins were recorded for overseas projects, gross margin decreased from 15.3% in the year 2014 to 13.8% in the year 2015.

The management expected the low margin for overseas business was temporary, the progress in 2015 was slow but significant amount of costs were incurred and hence the gross margin in 2015 was deteriorated, the gross margin in 2016 is expected to be strong after the progress of the overseas project can be fastened.

Since 2013, the Group adapted to the foreseeable downturn in the construction industry in China and has allocated resources to develop the overseas market, mainly focusing in Hong Kong, Macau and South-east Asian countries. With accumulated experience in markets outside China and certain sizeable projects in progress, we believed that the contribution from overseas market will become more significant in the year 2016.

2) Solar EPC

Revenue from solar EPC decreased by RMB596.7 million or 28.9% while gross margin for the sector remained strong at 27.1% (2014: 26.7%).

Tariff cut announced by the National Energy Administration of China will become effective from 1 July 2016, we therefore expect second quarter in 2016 will be the peak season for installation and potential new order will come. The outlook for our solar EPC business of the Group remains positive in future.

3) **Sale of goods**

(i) Sale of conventional materials increased by RMB96.1 million or 51.6%. Growth of RMB47.9 million and RMB48.2 million was recorded in export sales and domestic sales, respectively. To mitigate the impact from the slowdown in construction sector in China, the Group has shifted part of its resources from curtain wall construction business to sale business.

(ii) Sale of renewable energy goods maintained at a steady level of RMB1,022.4 million (2014: RMB1,015.6 million) while gross margin improved from 18.9% in the year 2014 to 23.0% in the year 2015. Despite the fact that the solar industry in China has been facing challenges, as discussed above, demand for solar goods remained strong as the market was still growing, considering the national installation target reached 17.8GW for the year 2015.

(iii) New materials represented an electricity-conductive material called ITO and it will become transparent when electricity is connected, we also expanded its usage into outdoor advertising activity. Revenue from sale of new materials grew by RMB15.5 million or 34.6% and gross margin was 39.3% (2014: 32.4%).

(iv) Sale of electricity, including tariff adjustment, increased by RMB66.7 million or 129.8% to RMB118.1 million in the year 2015. As at the end of 2015, the Group has 85MW of Golden Sun Pilot Projects and 122MW of ground-mounted solar farm in operation. The Group has 7.5MW of Golden Sun Pilot Projects, 10MW of distributed solar projects and 81.5MW of ground-mounted solar farm awaiting for grid connection as at the date of this announcement. Revenue from sale of electricity was negatively impacted by the curtailment problem in the northwest part of China.

Revenue and gross profit contribution from different business sectors:

Revenue split (including tariff adjustment)

	2015		2014	
	RMB million	***%***	*RMB million*	*%*
Conventional business[1]	**1,570.9**	**37.1**	1,866.9	37.0
Renewable energy business[2]	**2,608.2**	**61.5**	3,131.4	62.1
New material business	**60.3**	**1.4**	44.8	0.9
	4,239.4	**100.0**	5,043.1	100

Gross profit split (including tariff adjustment)

	2015		2014	
	RMB million	***%***	*RMB million*	*%*
Conventional business[1]	**236.5**	**25.1**	294.3	27.2
Renewable energy business[2]	**681.6**	**72.4**	771.9	71.5
New material business	**23.7**	**2.5**	14.5	1.3
	941.8	**100.0**	1,080.7	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 and tariff adjustment.

Other income and gains

Other income and gains mainly represented deferred income released, interest income on retention money, gain on disposal of property, plant and equipment and bank interest income. Major reason for the decrease was the deferred income released in the year 2015 amounted to RMB77.2 million compared to RMB155.7 million in the year 2014. Apart from that, bank interest income increased because of the growth in average bank deposits balance, and interest income on retention money increased due to early collection of retention money of certain projects. Also, RMB12.3 million (2014: Nil) of gain on disposal of solar farm was recognised during the year.

Selling and distribution expenses

Selling and distribution expenses increased by RMB19.3 million or 21.7%. The increase in selling and distribution expense was mainly caused by the increase in staff costs, and other business related expenses. The increase in staff costs was because of the increase in salary and bonus. The levels of changes in other items were consistent with our business growth.

Administrative expenses

Administrative expenses increased by RMB115.3 million or 42.6%. The increase in administrative expenses was mainly driven by the impairment loss of trade receivables and goodwill, the increase in staff costs, depreciation, business tax provisions, research expense and other business related expenses.

Other expenses

The drop in other expenses was mainly because fair value losses and a loss in settlement of interest rate swap contracts, less on disposal of a 25MW solar farm project, and issue expense of convertible bonds were recognised during the year 2014 and no similar item was recorded during the year.

Finance costs

The Group's finance costs increased by RMB79.0 million or 33.2%. While the interests on bank and other loans and discounted bills receivables dropped by RMB19.1 million comparing with previous year; the increase in overall finance costs was due to the interest incurred on convertible bonds and senior notes, being RMB100.6 million (2014: RMB37.8 million) and RMB67.3 million (2014: RMB5.3 million) respectively.

Income tax expense

Income tax expense during the year included RMB91.5 million of taxation charge and RMB1.6 million of deferred tax credited to profit or loss during the year. For the year 2014, it included RMB125.1 million of taxation charge and RMB11.0 million of deferred tax credit.

The taxation charges mainly represented the income tax provision for subsidiaries inside Mainland China. During the year, deferred tax credited to profit or loss of RMB1.6 million (2014: RMB11.0 million) was mainly due to deferred tax 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 for both years.

Healthy current ratio

The current ratio being current assets over current liabilities, was 2.21 as at 31 December 2015 (2014: 1.58).

Trade and bills receivables/trade and bills payables turnover days

Turnover days	**At 31 December 2015 Days**	At 31 December 2014 Days
Trade and bills receivables	**192**	142
Trade and bills payables	**119**	117

Trade and bills receivables turnover days is calculated based on the average of the beginning and ending balance of trade and bills 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 and bills receivables turnover days at 31 December 2015 was 192 days. Trade and bills payables turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the year divided by the cost of sales during the year. Trade and bills payables turnover days at 31 December 2015 was 119 days.

Liquidity and financial resources

The Group's primary source of funding included receivables from construction contracts and material sale, as well as income from electricity sale. In order to meet the expanding plan, the Group has completed certain fund raising activities during the year.

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 of bank and other loans, bank advances for discounted bills, convertible bonds and senior notes minus cash and cash equivalents and pledged deposits) to total equity at 31 December 2015 was 75.3% (2014: 48.4%).

With the 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 amounted to RMB552.7 million for the year (2014: RMB1,060.8 million) and were mainly for the construction of self-invested solar farm, factory premises and plant and machinery.

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB2,582.7 million 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") + 2.75% to LIBOR + 3.75% for syndicated loan and term loans in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 4.30%-9.41%.

Apart from the bank and other borrowings, the Group also issued RMB930 million of convertible bonds with coupon rate of 5% per annum, RMB560 million and HKD250 million of senior notes with coupon rate of 7.875% and 7.75% per annum respectively. All of them are unsecured.

Foreign currency risk

The Group's principal businesses are located in the PRC and most of the transactions are conducted in RMB and most of the Group's assets are denominated in RMB. On the other hand, part of the loans of the Group are raised in Hong Kong and they were denominated in USD or HKD, mainly included USD110 million of syndication loans, HKD250 million of senior notes and other bank loans in Hong Kong.

Any material fluctuation between HK$, USD and RMB may bring significant impact to the Group's financial position and hence the management may use different kind of hedging products to hedge the foreign currency risk.

Credit risk

The carrying amounts of cash and cash equivalents, pledged deposits, trade and other receivables, and other financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. Substantially all of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China and Hong Kong, which management believes are of high credit quality.

The Group trades only with recognised and creditworthy third parties. It is the Group's 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 the Group's exposure to bad debts is not significant.

As at the end of the report period, the Group had certain concentration of credit risk as 4.3% and 28.2% (2014: 13.7% and 44.5%) of the Group's trade and bills receivables were due from the Group's largest customer and five largest customers, respectively. All of these customers have good credit quality by taking into account of their credit history, a long-term business relationship has been established by both parties. The Group has delegated a team which is responsible for determination of credit limits and monitoring procedures to ensure that follow-up actions will be implemented to recover overdue debts.

Liquidity risk

The Group monitors 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.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

Dividend

The Directors of the Company proposed a final dividend of HK$0.03 per share (2014: HK$0.09 per share). 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 Tuesday, 24 May 2016 to Thursday, 26 May 2016, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 23 May 2016.

The Company's register of members will be closed from Tuesday, 31 May 2016 to Wednesday, 1 June 2016 (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, 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 Level 22 Hopewell Centre 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 30 May 2016.

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 Friday, 15 July 2016.

HUMAN RESOURCES

As at 31 December 2015, the Group had about 2,700 employees. Employee salary and other benefit expenses increased to approximately RMB268.0 million in 2015 from approximately RMB190.0 million in 2014, which represented an increase of 41.1%. The main reason for the increase was because of the RMB10 million of share option expense recognised during the year and the general increase in staff salaries and bonus. 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 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 Company and its subsidiaries (the "Group") so as to achieve effective accountability. The Directors consider that for the year ended 31 December 2015, the Company has applied the principles and complied with the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except for the deviation from provision A.2 of the Code as described below.

Mr. Liu Hongwei, the chairman of the Group, is responsible for the leading 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 the chief executive officer of the Group and is responsible for running business and implementing strategies of the Group. The Company is aware of the requirement under provision 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 although Mr. Liu Hongwei preforms the roles of chairman and chief executive officer, not impair the balance of power and authority between the Board and the management of the Company as the Board this does 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.

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 had 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 2015.

Audit Committee

The Company has established an audit committee in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.3 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, 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 2015.

Purchase, sales and redemption of Company's listed securities

The Company repurchased 1,369,000 shares of the Company within a price range from HK$4.33 to HK$4.45 per share in the open market, the Company also repurchased face value RMB6,000,000 of its convertible bonds for a consideration of approximately USD837,000. The repurchased shares and convertible bonds were cancelled as at 31 December 2015. 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 2015 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, 30 March 2016

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.