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 2016

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 2016.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
Revenue	**5,239,564**	4,182,049
Profit before tax	**626,922**	447,370
Income tax expense	**114,373**	89,924
Profits attributable to owners of the Company	**501,961**	355,986
Gross profit margin	**21.7%**	21.1%
Net profit margin	**9.6%**	8.5%
Earnings per share attributable to ordinary equity holders		
– Basic	**RMB0.661**	RMB0.509
– Diluted	**RMB0.659**	RMB0.374
Final dividend per share proposed	**HK$0.07**	HK$0.03

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2016	2015
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**5,239,564**	4,182,049
Cost of sales		**(4,104,854)**	(3,297,666)
Gross profit		**1,134,710**	884,383
Tariff adjustment	*3*	**93,224**	57,387
Other income and gains		**243,076**	172,210
Selling and distribution expenses		**(129,029)**	(108,290)
Administrative expenses		**(356,112)**	(385,984)
Other expenses		**(15,984)**	(13,067)
Finance costs		**(368,028)**	(316,911)
Share of losses of associates		**(23,260)**	(5,944)
Fair value gains on conversion rights of convertible bonds		**48,325**	163,586
Profit before tax	*4*	**626,922**	447,370
Income tax expense	*5*	**(114,373)**	(89,924)
Profit for the year		**512,549**	357,446
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		**(82,218)**	(53,041)
Other comprehensive loss for the year		**(82,218)**	(58,269)
Total comprehensive income for the year		**430,331**	299,177

	Note	Year ended 31 December **2016** ***RMB'000***	 2015 *RMB'000*
Profit attributable to:			
Owners of the Company		**501,961**	355,986
Non-controlling interests		**10,588**	1,460
		512,549	357,446
Total comprehensive income attributable to:			
Owners of the Company		**419,743**	297,717
Non-controlling interests		**10,588**	1,460
		430,331	299,177
Earnings per share attributable to ordinary equity holders of the Company			
– Basic	*6*	**RMB0.661**	RMB0.509
– Diluted	*6*	**RMB0.659**	RMB0.374

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2016 RMB'000	2015 RMB'000
Non-current assets			
Property, plant and equipment		**4,363,547**	3,835,238
Investment properties		**68,150**	—
Prepaid land lease payments		**203,001**	96,136
Intangible assets		**3,105**	3,486
Payments in advance		**9,114**	30,137
Investments in associates	*8*	**11,126**	(4,744)
Deferred tax assets	*14*	**32,288**	34,107
Available-for-sale investments		**80,512**	51,000
Pledged deposits		**17,352**	—
Total non-current assets		**4,788,195**	4,045,360
Current assets			
Inventories		**182,600**	93,171
Construction contracts		**710,543**	927,498
Trade and bills receivables	*9*	**3,373,065**	2,292,195
Prepayments, deposits and other receivables	*9*	**871,083**	652,390
Derivative financial instruments	*11*	**22,961**	—
Pledged deposits		**365,879**	376,055
Cash and cash equivalents		**680,205**	1,265,303
Total current assets		**6,206,336**	5,606,612
Current liabilities			
Trade and bills payables	*10*	**1,345,952**	903,503
Other payables and accruals	*10*	**510,622**	331,289
Bank advances for discounted bills		**144,949**	251,699
Interest-bearing bank and other loans		**1,148,300**	1,040,777
Tax payable		**21,939**	12,747
Senior notes		**554,211**	—
Total current liabilities		**3,725,973**	2,540,015
Net current assets		**2,480,363**	3,066,597
Total assets less current liabilities		**7,268,558**	7,111,957
Non-current liabilities			
Convertible bonds	*12*	**719,216**	697,569
Senior notes	*13*	**216,792**	746,692
Interest-bearing bank and other loans		**1,769,970**	1,541,906
Deferred tax liabilities	*14*	**86,860**	86,860
Deferred income	*15*	**271,470**	537,807
Total non-current liabilities		**3,064,308**	3,610,834
Net assets		**4,204,250**	3,501,123
Equity attributable to owners of the Company			
Issued capital	*16*	**55,785**	46,443
Reserves		**4,086,037**	3,378,179
		4,141,822	3,424,622
Non-controlling interests		**62,428**	76,501
Total equity		**4,204,250**	3,501,123

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 2016. 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 IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
Amendments to IAS 1	*Disclosure Initiative*
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*
Amendments to IAS 27	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs

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

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

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

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[2]
IFRS 9	*Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[2]
Amendments to IAS 40	*Transfers of Investment Property*[2]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[2]
IFRS 16	*Leases*[3]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 12[1]
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 1[2]
Annual Improvements 2014-2016 Cycle	Amendments to IAS 28[2]

[1] Effective for annual periods beginning on or after 1 January 2017

[2] Effective for annual periods beginning on or after 1 January 2018

[3] Effective for annual periods beginning on or after 1 January 2019

[4] No mandatory effective date yet determined but available for adoption

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

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

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.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

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 April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees - leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance 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 7 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 will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

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 walls (including solar power products), as well as operation and management of solar photovoltaic power stations, 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 resource 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:

	2016		2015	
	RMB'000	**%**	*RMB'000*	*%*
Construction contracts	**3,849,519**	**73.4**	2,748,251	65.7
Sale of goods	**1,308,550**	**25.0**	1,365,059	32.6
Rendering of design services	**13,174**	**0.3**	8,056	0.2
Sale of electricity	**68,321**	**1.3**	60,683	1.5
Revenue	**5,239,564**	**100.0**	4,182,049	100.0
Tariff adjustment*	**93,224**		57,387	

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

Geographical information

(a) Revenue from external customers

	2016		2015	
	RMB'000	**%**	*RMB'000*	*%*
Domestic – Mainland China *	**4,840,311**	**92.4**	3,905,623	93.4
Malaysia	**55,046**	**1.1**	42,469	1.0
Macau	**156,357**	**3.0**	122,387	2.9
Hong Kong	**187,850**	**3.5**	111,570	2.7
	5,239,564	**100.0**	4,182,049	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

	2016		2015	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	**4,639,545**	**99.5**	3,941,838	99.4
Hong Kong	**24,436**	**0.5**	22,770	0.6
Others	**288**	**0.0**	389	0.0
	4,664,269	**100.0**	3,964,997	100.0

The non-current asset information above is based on the locations of the assets and excludes investments in associates, deferred tax assets and available-for-sale investments.

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:

	2016	2015
	RMB'000	*RMB'000*
Customer A	*	518,861
Customer B	*	448,880

* Less than 10%

4. PROFIT BEFORE TAX

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

	2016	2015
	RMB'000	*RMB'000*
Cost of construction contracts and design services	**3,015,663**	2,175,804
Cost of inventories sold	**1,020,301**	1,052,946
Cost of electricity sold	**68,890**	68,916
Depreciation of property, plant and equipment	**151,275**	134,489
Depreciation of investment properties	**557**	—
Amortisation of prepaid land lease payments	**2,133**	2,252
Amortisation of intangible assets	**936**	1,013
Total depreciation and amortisation	**154,901**	137,754
Employees benefit expense (including directors' and chief executive's remuneration)	**268,053**	267,980
Minimum lease payments under operating leases	**7,905**	6,179
Research costs	**11,312**	16,189
Auditors' remuneration	**9,590**	9,109
Transaction costs related to listing shares of a subsidiary	**9,696**	—
Impairment loss on goodwill	**—**	9,783
Impairment loss on trade receivables	**21,390**	26,771
Impairment loss on other receivables	**—**	2,485
Loss on settlement of derivative financial instruments	**6,960**	4,813
Fair value gains on derivative financial instruments	**(22,961)**	—
Interest income from available for-sale debt instruments	**(1,413)**	—
Gains on disposal of items of property, plant and equipment	**(146,002)**	(12,332)
Operating lease rentals	**(1,286)**	—
Exchange gains, net	**(12,371)**	(22,657)

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:

	2016	2015
	RMB'000	*RMB'000*
Current – Charge for the year		
– Mainland China	**111,354**	90,124
– Macau	**1,200**	1,399
Deferred *(note 14)*	**1,819**	(1,599)
Total tax charge for the year	**114,373**	89,924

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 Group's effective tax rate is as follows:

		2016	2015
	Notes	***RMB'000***	*RMB'000*
Profit before tax		**626,922**	447,370
At the applicable tax rates	*(a)*	**113,382**	76,647
Effect of tax holiday		**(33,952)**	(4,964)
Income not subject to tax	*(b)*	**(24,508)**	(38,317)
Expenses not deductible for tax	*(c)*	**54,486**	48,742
Tax losses utilised from previous years which were not recognised before		**(634)**	(2,358)
Tax losses not recognised		**5,599**	10,024
Effect of tax rate change		**—**	150
Tax charge at the Group's effective tax rate		**114,373**	89,924

(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 station 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 years. 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, and the fair value gains on derivative financial instruments.

(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 759,613,349 (2015: 698,860,042) 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:

	2016	2015
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation:	**501,961**	355,986
Interest on convertible bonds**	—	100,610
Less: fair value gains on the conversion rights of the convertible bonds**	—	(163,586)
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	**501,961**	293,010

	Number of shares	
	2016	2015
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation*	**759,613,349**	698,860,042
Effect of dilution – weighted average number of ordinary shares:		
Share options	**1,772,823**	11,617,510
Convertible bonds**	—	71,941,829
	761,386,172	782,419,381

* The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the year ended 31 December 2015 have been adjusted and restated for the rights issue on the basis of one rights share for every five existing shares held by shareholders of the Company at the price of HK$2.60 per share.

** The computation of diluted earnings per share for the year ended 31 December 2016 does not assume the exercises of convertible bonds for the year ended 31 December 2016 since assumed such exercises would result in an increase in earnings per share.

7. DIVIDENDS

	2016	2015
	RMB'000	*RMB'000*
Proposed final – HK7 cents (2015: HK3 cents) per ordinary share	**52,226**	17,469

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

8. INVESTMENTS IN ASSOCIATES

	2016	2015
	RMB'000	*RMB'000*
Unlisted investments, at cost	**40,330**	1,200
Share of losses of associates	**(29,204)**	(5,944)
Aggregate carrying amount of the Group's investments in the associates	**11,126**	(4,744)

In the opinion of the directors, there were no material associates 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 interests in these associates because the Group has capital contribution obligation to an associate. Further losses of RMB19,915,000 (2015: Nil) were not recognised in profit or loss during the year due to the share of losses of an associate exceeded the Group's capital contribution, for which the Group has no obligation.

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

	2016	2015
	RMB'000	*RMB'000*
Trade and bills receivables		
Trade receivables	**3,122,110**	2,233,345
Bills receivable	**299,772**	86,277
Less: impairment	**(48,817)**	(27,427)
	3,373,065	2,292,195

As at 31 December 2016, trade receivables contained retention money receivables of RMB355,523,000 (2015: RMB273,088,000). Retention money receivables are normally collected within one to five years after the completion of the relevant construction work.

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:

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**1,630,871**	860,566
3 to 6 months	**372,652**	435,525
6 to 12 months	**1,057,272**	629,739
1 to 2 years	**172,676**	318,022
2 to 3 years	**128,829**	42,097
Over 3 years	**10,765**	6,246
	3,373,065	2,292,195

	2016	2015
	RMB'000	*RMB'000*
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	**135,386**	165,997
Deposits	**55,745**	65,731
Tariff adjustment receivables*	**122,009**	99,355
Deferred listing fees of a subsidiary	**3,084**	—
Other receivables	**559,437**	325,885
	875,661	656,968
Less: impairment	**(4,578)**	(4,578)
	871,083	652,390

* 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 prevailing government policies.

10. 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:

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**834,118**	365,420
3 to 6 months	**366,059**	411,341
6 to 12 months	**89,032**	88,685
1 to 2 years	**33,496**	21,114
2 to 3 years	**9,641**	3,974
Over 3 years	**13,606**	12,969
	1,345,952	903,503

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

	2016	2015
	RMB'000	*RMB'000*
Other payable and accruals		
Advances from customers	**209,232**	122,042
Tax and surcharge payables	**76,106**	66,566
Accrued expenses	**22,550**	17,520
Other payables	**202,734**	125,161
	510,622	331,289

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

During the year ended 31 December 2016, the Group has received deposits of HK$25,080,000 (equivalent to approximately RMB22,434,000) in relation to the sale of equity interests in Xinjiang Singyes Renewable Energy Technology Co., Ltd. and Wuwei Dongrun Solar Energy Development Co., Ltd., two subsidiaries of the Group. As at 31 December 2016, the transaction is conditional upon fulfillment of certain conditions precedent set out in the relevant conditional sale and purchase agreement signed between the Group and Excel Deal Investment Limited, an independent third party. The transaction is expected to be completed on or before 30 June 2017.

11. DERIVATIVE FINANCIAL INSTRUMENTS

		2016	2015
	Notes	***RMB'000***	*RMB'000*
Cross-currency interest rate swaps at fair value	*(a)*	**22,961**	—
Interest rate swaps	*(b)*	**—**	—
		22,961	—

Notes:

(a) The Group uses cross-currency interest rate swaps to manage its currency and interest risks. On 28 January 2016 and 2 November 2016, the Group entered into cross-currency interest rate swap contracts with banks, covering a period from 19 February 2016 to 13 August 2018. The cross-currency interest rate swap contracts entitle the Group to receive interest at floating rates on an aggregate notional principal of US$100 million and to pay interest at fixed rates on an aggregate notional principal of RMB669 million simultaneously. The Group agreed with the banks to swap the interest difference between fixed rate and floating rate, as well as the currency difference between US$ and RMB, respectively, on the respective deemed notional principal amounts on a three-month basis.

(b) 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 rate on an aggregate notional principal of US$5 million (equivalent to approximately RMB33 million) and to pay interest at fixed rate on the same notional principal amount simultaneously. The Group agreed with the bank to swap the interest difference between fixed rate and floating rate, on the deemed notional principal amount on a three-month basis. As at 31 December 2016, the fair value of the interest rate swaps was estimated to be zero.

12. CONVERTIBLE BONDS

	Notes	**2016** **RMB'000**	2015 *RMB'000*
Convertible bonds, liability component	*(a)*	**703,989**	634,017
Fair value of embedded derivatives	*(b)*	**15,227**	63,552
		719,216	697,569

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 ended 31 December 2015.

Pursuant to the terms and conditions of the subscription agreement dated 8 August 2014, the conversion price of the 2019 Convertible Bonds was adjusted to HK$15.72 due to the cash dividends paid by the Company and rights issue during the year ended 31 December 2016.

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

(i) Interest rate

The Company shall pay interests 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, 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

	2016	2015
	RMB'000	*RMB'000*
Liability component at 1 January	**634,017**	589,131
Effective interest recognised for the year	**116,299**	100,610
Interest payable during the year	**(46,327)**	(50,427)
Repurchase of bonds	**—**	(5,297)
As at 31 December	**703,989**	634,017

(b) Conversion rights

	2016	2015
	RMB'000	*RMB'000*
Fair value of conversion rights at 1 January	**63,552**	227,138
Less: fair value changes of conversion rights	**(48,325)**	(163,586)
Fair value of conversion rights at 31 December	**15,227**	63,552

The fair value change of the conversion rights for the year ended 31 December 2016 was RMB48,325,000 (2015: RMB163,586,000), which was 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 2016 amounted to RMB116,299,000 (2015: RMB100,610,000), which is calculated using the effective interest method with an effective interest rate of 17.79% per annum.

13. SENIOR NOTES

		2016	2015
	Notes	***RMB'000***	*RMB'000*
2017 Senior Notes	*(a)*	**554,211**	548,200
2018 Senior Notes	*(b)*	**216,792**	198,492
		771,003	746,692

(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 approximately 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:

	2016	2015
	RMB'000	*RMB'000*
Carrying amount at 1 January	**548,200**	542,822
Effective interest recognised during the year	**50,111**	49,478
Interest payable	**(44,100)**	(44,100)
Carrying amount at 31 December	**554,211**	548,200
Fair value of the 2017 Senior Notes*	**536,833**	525,694

* The fair value of the 2017 Senior Notes was determined based on the price quoted on the HKSE on 31 December 2016.

(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 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:

	2016	2015
	RMB'000	*RMB'000*
Carrying amount at 1 January/ (fair value at date of issuance)	**198,492**	182,492
Effective interest recognised during the year	**21,708**	17,807
Interest payable during the year	**(16,581)**	(13,860)
Exchange realignment	**13,173**	12,053
Carrying amount at 31 December	**216,792**	198,492
Fair value of the 2018 Senior Notes *	**226,383**	215,815

* The fair value of the 2018 Senior Notes has 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.

14. DEFERRED TAX

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

Deferred tax assets

	Tax losses	**Government grants**	**Discount in retention receivables**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
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 and at 1 January 2016	**2,336**	**23,606**	**2,343**	**5,822**	**34,107**
Deferred tax credited/(charged) to profit or loss during the year *(note 5)*	**(2,191)**	**(2,259)**	**(558)**	**3,189**	**(1,819)**
At 31 December 2016	**145**	**21,347**	**1,785**	**9,011**	**32,288**

The Group has total tax losses arising in Malaysia, Singapore and Hong Kong of RMB38,983,000 (2015: RMB88,208,000) 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 RMB25,600,000 (2015: RMB46,603,000) 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 2016 and 31 December 2016	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 RMB1,407,503,000 as at 31 December 2016 (2015: RMB848,182,000).

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

15. DEFERRED INCOME

	2016	2015
	RMB'000	*RMB'000*
Government grants		
At 1 January	**537,807**	439,273
Government grants related to assets received during the year	**888**	175,724
Released to profit or loss:		
Over the expected useful lives of the related assets	**(19,830)**	(32,985)
Upon disposal of the related assets	**(247,395)**	—
Related to disposal of assets in previous year	**—**	(44,205)
At 31 December	**271,470**	537,807

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.

16. SHARE CAPITAL

	2016	2015
	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:		
834,073,195 (2015: 695,060,996) ordinary share of US$0.01 each	**8,341**	6,951
Equivalent to RMB'000	**55,785**	46,443

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

	Number of shares in issue	Issued capital *RMB'000*
At 1 January 2015	695,395,996	46,466
Share repurchased	(1,369,000)	(87)
Share options exercised	1,034,000	64
At 31 December 2015 and 1 January 2016	**695,060,996**	**46,443**
Rights issue*	**139,012,199**	**9,342**
As at 31 December 2016	**834,073,195**	**55,785**

* A rights issue of one rights share for every five existing shares held by members on the register of members on 20 June 2016 was made, at an issue price of HK$2.60 per rights share, resulting in the issue of 139,012,199 shares for net proceeds, after deducting issuance expenses, of HK$354,681,000 (equivalent to approximately RMB305,596,000).

17. DISPOSAL OF A SUBSIDIARY

	2016 *RMB'000*
Net assets disposed of:	
Property, plant and equipment	**22,044**
Cash and bank balances	**131**
Trade receivables	**911**
Prepayments, deposits and other receivables	**3,637**
Other payables and accruals	**(26,265)**
	458
Loss on disposal of a subsidiary	**(8)**
	450

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

	RMB'000
Cash and bank balances disposed of	**(131)**
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	**(131)**

18. EVENT AFTER THE REPORTING PERIOD

On 15 February 2017, the Company has entered into a placing agreement in connection with the issue and placing of the 7.95% senior notes with an aggregate principal amount of US$260,000,000 which will mature in February 2019 (the "2019 Senior Notes"). The 2019 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.

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 domestic market is recovering, and also because of the blooming of overseas market, revenue from curtain wall and green building business grew by 26.8% or RMB343.4 million. At the same time, some favorable policies were implemented by the Mainland China government recently and we believe the demand for green building will remain strong.

Solar EPC business

We are a one-stop solution provider in Solar EPC, the year-to-year solar EPC revenue recorded a strong recovery, revenue grew by RMB757.9 million or 51.6% compared with the year 2015.

The Group has firstly entered into the Solar EPC market in China in 2007, because of the strong support by the Golden Sun Demonstration Project ("Golden Sun"), our Solar EPC business recorded a significant growth over the past few years. The National Energy Administration of China ("NEA") set the target for additional solar installation capacity of 18.1GW in 2016, while the accumulated solar energy installed capacity is over 50GW. In addition, the National Development and Reform Commission ("NDRC") has uplifted the surcharge levied on electricity bill to end-users from RMB0.015 per kWh to RMB0.019 per kWh in January 2016, representing an increase of approximately 26.7%, the payment efficiency of the electricity tariff could well be improved after the increase of the surcharge. In addition, the Ministry of Finance ("MOF") has announced the sixth batch of renewable energy subsidies for solar farms that was grid-connected before February 2015 in September 2016 and it also issued the Notice on Organization and Declaration of Additional Funding Subsidies Directory for Renewable Energy which started to prepare registering solar farms that was grid-connected before March 2016 to receive the seventh batch of renewable energy subsidies and this has already been open for registration by the solar farm operators.

The favorable policies and strong domestic demand in China could support the long term healthy growth of the solar EPC business of the Group.

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 2016, the Group had 270.7 MW grid-connected power stations and 73.4 MW projects awaiting for grid-connection. In the future, the Group will consider investment opportunities in solar power stations in provinces with high electricity demand, for example Guangdong province, given that the solar farms there have not encountered any curtailment in electricity generation.

Overseas business opportunities

Revenue outside China accounted for approximately 7.6% of our total revenue in the year 2016 (2015: 6.6%). We anticipate contribution from the overseas market 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.

In December 2016, the Group secured a 100 MW of solar EPC project in the Republic of Uzbekistan with a total sum of USD147 million, this project is mainly financed by Asian Development Bank ("ADB").

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	2016	2015
	RMB million	*RMB million*
Curtain walls and green buildings		
– Public work	**237.3**	292.9
– Commercial and industrial	**1,173.0**	781.5
– High-end residential	**213.6**	206.1
	1,623.9	1,280.5
Solar EPC		
– Public work	**16.2**	0.2
– Commercial and industrial	**2,209.4**	1,467.5
	2,225.6	1,467.7
Total construction contracts	**3,849.5**	2,748.2
Sale of goods		
– Conventional materials	**335.3**	282.4
– Renewable energy goods	**882.3**	1,022.4
– New materials	**90.9**	60.3
Total sale of goods	**1,308.5**	1,365.1
Sale of electricity, including tariff adjustment	**161.6**	118.1
Rendering of design and other services	**13.2**	8.0
	5,332.8	4,239.4
Tariff adjustment	**(93.2)**	(57.4)
Total revenue	**5,239.6**	4,182.0

Gross profit and gross profit margin

	2016		2015	
	RMB million	*%*	*RMB million*	*%*
Construction contracts				
– Curtain walls and green buildings	**260.6**	**16.0**	177.0	13.8
– Solar EPC	**579.2**	**26.0**	397.1	27.1
	839.8	**21.8**	574.1	20.9
Sale of goods				
– Conventional materials	**55.9**	**16.7**	53.0	18.8
– Renewable energy goods	**196.8**	**22.3**	235.4	23.0
– New materials	**35.6**	**39.2**	23.7	39.3
	288.3	**22.0**	312.1	22.9
Sale of electricity, including tariff adjustment	**92.6**	**57.3**	49.1	41.6
Rendering of design and other services	**7.2**	**54.5**	6.5	81.3
Total gross profit and gross profit margin including tariff adjustment	**1,227.9**	**23.0**	941.8	22.2

The Group's revenue (including electricity tariff adjustment) increased by RMB1,093.4 million or 25.8%, from RMB4,239.4 million in the year 2015 to RMB5,332.8 million in the year 2016. Gross profit (including electricity tariff adjustment) increased by RMB286.1 million or 30.4%, from RMB941.8 million in the year 2015 to RMB1,227.9 million in the year 2016.

1) Curtain wall and green building

Revenue from curtain wall and green building business reached RMB1,623.9 million, representing an increase of RMB343.4 million or 26.8% compared with the year 2015.

The increase in revenue was because of the recovery of construction industry domestically inside Mainland China and the increase in business in the overseas market. Gross margin also improved because of the increase in percentage of high-end business such as curtain wall with green building components.

2) Solar EPC

Revenue from solar EPC amounted to RMB2,225.6 million, representing a strong growth of RMB757.9 million or 51.6% from RMB1,467.7 million reported in the year 2015, while gross margin for the sector remained strong at 26.0% (2015: 27.1%).

The Group has won the tender for the design, execution and completion of the works under a design, build and operate contract granted by Uzbekenergo regarding a 100 megawatt solar farm in the Samarkand Province of the Republic of Uzbekistan. The total sum of the Contract is approximately US$147 million. Winning of the bid for the contract showed that the Group's capabilities in the Solar EPC met the international standards required by Uzbekenergo. This also reinforced the Group's strategy to follow the "One-Belt-One-Road" initiative as announced by the Chinese Government. We expected the transaction to provide positive revenue growth to the Group.

3) Sale of goods

(i) Sale of conventional materials accounted to RMB335.3 million, up RMB52.9 million or 18.7% driven by the stable growth in domestic market demand.

(ii) Sale of renewable energy goods recorded a decrease of RMB140.1 million from RMB1,022.4 million in the year 2015 because the Group has spent more resources in solar EPC projects.

(iii) New Material business represented sale of Indium Tin Oxide ("ITO") film and its products. ITO film can be processed into touch-screen ITO film and switchable ITO film, while the switchable ITO film can further be processed into smart light-adjusting glass and smart light-adjusting projection system. ITO film and smart light-adjusting products are relatively new to the consumers in China and therefore, the market penetration is currently quite low. Riding on the increasing sales volume generated by our Group's successful marketing strategies, revenue surged by RMB30.6 million or 50.7% and gross margin remained high at 39.2% (2015: 39.3%).

(iv) The following table sets out the Group's self-invested solar power stations as at 31 December 2016.

Location	On-grid	Pending grid connection	In-progress	Total
	MW	*MW*	*MW*	*MW*
Guangdong province	118.0	—	102	220.0
Northwest China	113.0	58.5	—	171.5
Hebei province	—	—	20.0	20.0
Golden Sun/Distributed Power	39.7	14.9	—	54.6
	270.7	73.4	122	466.1

The Group's accumulated on-grid capacity increased from 207 megawatts ("MW") at 31 December 2015 to 270.7 MW at 31 December 2016, which comprised of 39.7 MW Golden Sun or distributed power stations, and 231.0 MW ground-mounted solar farms. The sale of electricity, including tariff adjustment, therefore, increased by 36.8% to RMB161.6 million in the year 2016 from RMB118.1 million in the year 2015.

Revenue and gross profit contribution from different business sectors:

Revenue split (including tariff adjustment)

	2016		2015	
	RMB million	***%***	*RMB million*	*%*
Conventional business[1]	**1,972.4**	**37.0**	1,570.9	37.1
Renewable energy business[2]	**3,269.5**	**61.3**	2,608.2	61.5
New material business	**90.9**	**1.7**	60.3	1.4
	5,332.8	**100.0**	4,239.4	100.0

Gross profit split (including tariff adjustment)

	2016		2015	
	RMB million	***%***	*RMB million*	*%*
Conventional business[1]	**323.7**	**26.4**	236.5	25.1
Renewable energy business[2]	**868.6**	**70.7**	681.6	72.4
New material business	**35.6**	**2.9**	23.7	2.5
	1,227.9	**100.0**	941.8	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 fair value gains on derivative financial instuments. The amount increased by 41.2% to RMB243.1 million in the year 2016 mainly because of the gain on disposal of solar farms under Golden Sun during the year.

Selling and distribution expenses

Selling and distribution expenses increased by RMB20.7 million or 19.2%. The increment was mainly caused by the increase in staff costs, and other business related expenses. The levels of changes in other items were consistent with our business growth.

Administrative expenses

Administrative expenses dropped by RMB29.9 million or 7.7%. The relatively higher administrative expenses in the year 2015 was mainly driven by the impairment loss of trade receivables and goodwill.

Other expenses

Other expenses mainly represented the bank charges and loss on settlement of derivative financial instruments.

Finance costs

The Group's finance costs increased by RMB51.1 million or 16.1% mainly because of the increase in interests on bank and other loans which was caused by the rise in average loan level in Hong Kong.

Income tax expense

Income tax expense during the year included RMB112.6 million of taxation charge and RMB1.8 million of deferred tax charge to profit or loss during the year. For the year 2015, it included RMB91.5 million of taxation charge and RMB1.6 million of deferred tax credit.

The taxation charges mainly represented the income tax provision for subsidiaries inside Mainland China. 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 1.67 as at 31 December 2016 (2015: 2.21).

Trade receivables/trade and bills payables turnover days

Turnover days	**At 31 December 2016 Days**	At 31 December 2015 Days
Trade receivables	**181**	188
Trade and bills payables	**99**	119

Trade receivables turnover days is calculated based on the average of the beginning and ending balance of trade receivables, net of impairment, for the year divided by the revenue during the year and multiplied by the number of days during the year. Trade receivables turnover days at 31 December 2016 was 181 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 2016 was 99 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 2016 was 83.0% (2015: 75.3%).

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 RMB1,155.6 million for the year (2015: RMB552.7 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 RMB2,918.3 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") + 1.5% to LIBOR + 3.75% for syndicated loan and term loans in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 3.92%-9.55%.

As at the date of this announcement, 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, HKD250 million and USD260 million of senior notes with coupon rate of 7.875%, 7.75% and 7.95% per annum respectively. All of them are unsecured.

Foreign currency risk

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB. 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. As a results, the Group had entered into various cross currency swap and interest rate swap contracts with banks to hedge against the risk of increase in interest rate as well as the risk on currency fluctuation.

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, 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 8.3% and 26.4% (2015: 4.3% and 28.2%) of the Group's trade 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$0.07 per share (2015: HK$0.03 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, 23 May 2017 to Thursday, 25 May 2017, 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, 22 May 2017.

The Company's register of members will be closed from Thursday, 1 June 2017 to Friday, 2 June 2017 (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 Wednesday, 31 May 2017.

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, 21 July 2017.

HUMAN RESOURCES

As at 31 December 2016, the Group had about 2,650 employees. Employee salary and other benefit expenses maintained at similar level at RMB268.1 million in the year 2016 compared with RMB268.0 million in the year 2015. 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 2016, 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, this does not impair the balance of power and authority between the Board and the management of the Company as the Board 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 2016.

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 financial results for the year ended 31 December 2016.

Purchase, sales 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 year ended 31 December 2016.

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 2016 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, 29 March 2017

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.