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 2014

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 2014.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Revenue	**5,011,426**	4,150,509
EBITDA*	**934,897**	804,520
Profit before tax	**698,913**	626,506
Income tax expense	**114,074**	135,915
Profits attributable to owners of the Company	**584,269**	490,587
Gross profit margin	**20.9%**	23.8%
Net profit margin	**11.7%**	11.8%
Earnings per share attributable to ordinary equity holders		
– Basic	**RMB0.842**	RMB0.752
– Diluted	**RMB0.687**	RMB0.737
Final dividend per share proposed	**HK$0.09**	HK$0.09

* *Earnings before interest, tax, depreciation and amortisation, and fair value gains on conversion right of convertible bonds*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December **2014** *RMB'000*	2013 *RMB'000*
Revenue	*3*	**5,011,426**	4,150,509
Cost of sales		**(3,962,402)**	(3,162,109)
Gross profit		**1,049,024**	988,400
Other income and gains		**233,621**	77,481
Selling and distribution expenses		**(88,988)**	(75,664)
Administrative expenses		**(270,689)**	(218,905)
Other expenses		**(101,851)**	(33,902)
Finance costs		**(237,923)**	(110,904)
Fair value gains on conversion right of convertible bonds		**115,719**	–
Profit before tax	*4*	**698,913**	626,506
Income tax expense	*5*	**(114,074)**	(135,915)
Profit for the year		**584,839**	490,591
Other comprehensive loss			
Other comprehensive loss not to be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of financial statements		**(4,388)**	(334)
Total comprehensive income for the year		**580,451**	490,257

		Year ended 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
Profit attributable to:			
Owners of the Company		**584,269**	490,587
Non-controlling interests		**570**	4
		584,839	490,591
Total comprehensive income attributable to:			
Owners of the Company		**579,881**	490,253
Non-controlling interests		**570**	4
		580,451	490,257
Earnings per share attributable to ordinary equity holders of the Company			
– Basic	*6*	**RMB0.842**	RMB0.752
– Diluted	*6*	**RMB0.687**	RMB0.737

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment		**3,455,071**	2,680,214
Prepaid land lease payments		**97,513**	94,608
Intangible assets		**1,594**	1,672
Payments in advance		**193,224**	6,769
Deferred tax assets	*13*	**32,508**	21,498
Available-for-sale equity investments		**12,258**	29,418
Total non-current assets		**3,792,168**	2,834,179
Current assets			
Inventories		**114,586**	76,629
Construction contracts		**284,485**	117,870
Trade and bills receivables	*8*	**2,192,235**	1,801,263
Prepayments, deposits and other receivables	*8*	**423,532**	229,538
Pledged deposits		**500,327**	346,522
Cash and cash equivalents		**901,417**	894,732
Total current assets		**4,416,582**	3,466,554
Current liabilities			
Trade and bills payables	*9*	**1,284,332**	1,292,961
Other payables and accruals	*9*	**314,354**	182,571
Derivative financial instruments	*10*	**3,042**	–
Bank advances for discounted bills		**184,378**	–
Interest-bearing bank and other loans		**987,521**	869,628
Tax payable		**17,628**	33,276
Total current liabilities		**2,791,255**	2,378,436
Net current assets		**1,625,327**	1,088,118
Total assets less current liabilities		**5,417,495**	3,922,297
Non-current liabilities			
Convertible bonds	*11*	**816,269**	–
Senior notes	*12*	**542,822**	–
Interest-bearing bank and other loans		**391,679**	681,281
Deferred tax liabilities	*13*	**86,860**	86,860
Deferred income	*14*	**439,273**	555,044
Total non-current liabilities		**2,276,903**	1,323,185
Net assets		**3,140,592**	2,599,112
Equity attributable to owners of the Company			
Issued capital	*15*	**46,466**	46,247
Reserves		**3,044,146**	2,503,875
Proposed final dividend		**49,374**	48,954
		3,139,986	2,599,076
Non-controlling interests		**606**	36
Total equity		**3,140,592**	2,599,112

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. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for derivative financial instruments and conversion rights of convertible bonds 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 2014. 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 in the accounting policy for subsidiaries below. 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 earnings, 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 and new interpretation for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27	*Investment Entities*
Amendments to IAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to IAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to IAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
IFRIC 21	*Levies*
Amendment to IFRS 2 included in *Annual Improvements 2010-2012* Cycle	*Definition of Vesting Condition*[1]
Amendment to IFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]

[1] Effective from 1 July 2014

Other than explained below regarding the impact of amendments to IAS 36, the adoption of the above revised standards and new interpretation has had no significant financial effect on these financial statements.

The IAS 36 Amendments remove the unintended disclosure requirement made by IFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. Disclosures of the recoverable amounts for the Group's impaired cash-generating units are included in note to the financial statements.

2.3 NEW AND REVISED IFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

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

IFRS 9	*Financial Instruments*[4]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IFRS 10, IFRS 12 and IAS 27	*Investment Entities: Applying the Consolidation Exception*[2]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
IFRS 14	*Regulatory Deferral Accounts*[5]
IFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to IAS 1	*Disclosure Initiative*[2]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[2]
Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010-2012 Cycle	Amendments to a number of IFRSs[1]
Annual Improvements 2011-2013 Cycle	Amendments to a number of IFRSs[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs[2]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 January 2018
[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

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

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 that will apply to 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. The Group expects to adopt IFRS 15 on 1 January 2017 and is currently assessing the impact of IFRS 15 upon adoption.

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, which is also the Group's turnover, represents an appropriate proportion of contract revenue of construction contracts; the value of services rendered, net of business tax and government surcharges; and invoiced value of goods 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 curtain walls (including solar power products) and photovoltaic power station supply and installation service, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resources allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Geographical information

(a) Revenue from external customers

	2014		2013	
	RMB'000	***%***	*RMB'000*	*%*
Domestic – Mainland China *	**4,969,965**	**99.2**	4,117,016	99.2
Overseas	**41,461**	**0.8**	33,493	0.8
	5,011,426	**100.0**	4,150,509	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

	2014		2013	
	RMB'000	***%***	*RMB'000*	*%*
Mainland China	**3,730,973**	**99.6**	2,767,956	99.5
Hong Kong	**16,429**	**0.4**	15,307	0.5
	3,747,402	**100.0**	2,783,263	100.0

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

Information about a major customer

Revenue of approximately RMB1,038,109,000 (2013: RMB657,717,000) which accounted for more than 10% of the Group's revenue during the year was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. PROFIT BEFORE TAX

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

	2014	2013
	RMB'000	*RMB'000*
Cost of construction contracts and design services	**2,931,638**	2,486,337
Cost of inventories sold	**1,009,354**	670,634
Cost of electricity sold	**21,410**	5,138
Depreciation	**110,910**	64,299
Amortisation of prepaid land lease payments	**2,183**	2,014
Amortisation of intangible assets	**687**	797
Minimum lease payments under operating leases	**5,599**	4,648
Research costs	**20,016**	23,703
Auditors' remuneration	**7,001**	5,998
Staff costs (including directors' and chief executive's remuneration)	**190,006**	162,423
Impairment loss on intangible assets	**–**	1,063
Impairment loss on property, plant and equipment	**6,747**	–
Impairment loss on trade receivables	**278**	–
Impairment loss on other receivables	**1,693**	–
Loss on settlement of derivative financial instruments	**3,551**	–
Fair value loss on derivative financial instruments *(note 10)*	**3,042**	–
Issue expense of convertible bonds charged to profit or loss	**10,102**	–
Loss on disposal of items of property, plant and equipment	**72,747**	28,505
Exchange losses, net	**3,017**	2,318

5. INCOME TAX

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

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

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

Mainland China profits tax has been provided at the respective CIT rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the year.

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

	2014	2013
	RMB'000	*RMB'000*
Current – Mainland China		
– Charge for the year	**125,084**	110,760
Deferred *(note 13)*	**(11,010)**	25,155
Total tax charge for the year	**114,074**	135,915

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

	2014	2013
	RMB'000	*RMB'000*
Profit before tax	**698,913**	626,506
At the applicable tax rates	**108,637**	98,625
Income not subject to tax	**(7,933)**	–
Expenses not deductible for tax	**7,533**	6,858
Tax losses utilised from previous periods	**(2,296)**	(897)
Tax losses not recognised	**8,133**	2,966
Effect of withholding tax at 5% on the distributable profits of the Group's subsidiaries in Mainland China *(note 13)*	**–**	28,363
Tax charge at the Group's effective tax rate	**114,074**	135,915

Except for Zhuhai Singyes Green Building Technology Co., Ltd. ("Zhuhai Singyes"), Zhuhai Singyes Renewable Energy Technology Co., Ltd. ("Singyes Renewable Energy"), Hunan Singyes Solar Technology Co., Ltd. ("Hunan Singyes"), Xinjiang Singyes Renewable Energy Technology Co., Ltd. ("Xinjiang Singyes") and Wuwei DongRun Solar Energy Development Co., Ltd. ("Wuwei Dongrun"), which are further mentioned below, the Group's subsidiaries in Mainland China are subject to CIT at a rate of 25%.

In 2014, Zhuhai Singyes, Singyes Renewable Energy and Hunan Singyes are entitled to a preferential PRC CIT rate of 15% as Hunan Singyes was accredited as "High and New Technology Enterprise" ("HNTE") while Zhuhai Singyes and Singyes Renewable Energy renewed their certificates of HNTE.

In accordance with the "List of Public Infrastructure Projects Enjoying Enterprise Income Tax Preference" (the "List") promulgated by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission, profit generated by enterprises engaging in the approved projects of solar power construction will be exempted from PRC CIT for their first three years and is entitled to a 50% tax reduction for the subsequent three years ("三免三減半") since their first revenue-generating year. First revenue-generating year refers to the year during which the first revenue is derived from the solar power construction project. As Xinjiang Singyes and Wuwei Dongrun are engaging in the solar power construction project and generated its first revenue in 2014, they will not be liable for PRC CIT for 2014 to 2016 and will be subject to PRC CIT at a rate of 12.5% from 2017 to 2019.

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 694,193,675 (2013: 652,800,351) 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 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:

	2014	2013
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	**584,269**	490,587
Interest on convertible bonds	**37,762**	–
Less: fair value gains on the conversion rights of the convertible bonds	**(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	**506,312**	490,587

	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**694,193,675**	652,800,351
Effect of dilution – weighted average number of ordinary shares:		
Share options	**14,101,924**	13,226,556
Convertible bonds	**28,828,025**	–
	737,123,624	666,026,907

7. DIVIDENDS

	2014	2013
	RMB'000	*RMB'000*
Proposed final – HK9 cents (2013: HK9 cents) per ordinary share	**49,374**	48,954

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

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

	2014	2013
	RMB'000	*RMB'000*
Trade and bills receivables	**2,195,068**	1,803,818
Less: impairment	**(2,833)**	(2,555)
	2,192,235	1,801,263

As at 31 December 2014, trade receivables contained retention money receivables of RMB299,731,000 (2013: RMB232,452,000). 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:

	2014	2013
	RMB'000	*RMB'000*
Within 3 months	**1,397,064**	1,137,479
3 to 6 months	**527,268**	452,994
6 to 12 months	**135,496**	141,781
1 to 2 years	**118,257**	66,813
2 to 3 years	**14,080**	1,053
Over 3 years	**70**	1,143
	2,192,235	1,801,263

	2014	2013
	RMB'000	*RMB'000*
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	**169,013**	59,351
Deposits	**49,934**	35,562
Other receivables	**206,678**	135,025
	425,625	229,938
Less: impairment	**(2,093)**	(400)
	423,532	229,538

9. 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:

	2014	2013
	RMB'000	*RMB'000*
Within 3 months	**419,822**	700,821
3 to 6 months	**555,872**	557,186
6 to 12 months	**278,953**	14,017
1 to 2 years	**14,366**	10,330
2 to 3 years	**7,848**	4,474
Over 3 years	**7,471**	6,133
	1,284,332	1,292,961

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

	2014	2013
	RMB'000	*RMB'000*
Other payable and accruals		
Advances from customers	**32,355**	19,376
Tax and surcharge payables	**41,738**	45,247
Accrued expenses	**18,731**	15,931
Other payables	**221,530**	102,017
	314,354	182,571

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

10. DERIVATIVE FINANCIAL INSTRUMENTS

	2014	2013
	RMB'000	*RMB'000*
Interest rate swaps	**3,042**	–

Derivative financial instruments represent fair value losses of interest rate swap contracts as at 31 December 2014. The Group uses interest rate swaps to manage its interest rate risk. On 10 January 2014, the Group entered into interest rate swap contracts with the bank, covering periods from 27 December 2013 to 28 December 2016 and 27 December 2013 to 27 December 2018, respectively. The interest rate swap contracts entitle the Group to receive interest at floating rates on an aggregate notional principal of US$45 million (equivalent to approximately RMB277 million) and to pay interest at fixed rates or other floating 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 and between different floating rates, respectively, on the deemed notional principal amounts on a six-month basis.

11. CONVERTIBLE BONDS

	Notes	2014 RMB'000	2013 RMB'000
Convertible bonds, liability component	*(a)*	**589,131**	–
Fair value of embedded derivatives	*(b)*	**227,138**	–
		816,269	–

On 8 August 2014, the Company issued 9,300,000 5% convertible bonds due 8 August 2019 (the "2019 Convertible Bonds") with a nominal value of RMB930,000,000. There was no movement in the number 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 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 cease 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 that 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

	2014	2013
	RMB'000	*RMB'000*
Nominal value of the Convertible Bonds	**930,000**	–
Fair value of conversion rights at 8 August 2014	**(342,857)**	–
Direct transaction costs attributable to the liability component	**(17,301)**	–
Liability component at 8 August 2014	**569,842**	–
Effective interest recognised for the year	**37,762**	–
Interest payable during the year	**(18,473)**	–
At 31 December 2014	**589,131**	–

(b) Conversion rights

	2014	2013
	RMB'000	*RMB'000*
Fair value of conversion rights at 8 August 2014	**342,857**	–
Less: Fair value changes of conversion rights	**115,719**	–
Fair value of conversion rights at 31 December 2014	**227,138**	–

The fair value change in the conversion rights for the year ended 31 December 2014 is RMB115,719,000 (2013: Nil), 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 2014 amounted to RMB37,762,000 (2013: Nil), which is calculated using the effective interest method with an effective interest rate of 17.53%.

12. 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 RMB542,327,148. The 2017 Senior Notes mature on 21 November 2017 and have been listed on the Stock Exchange of Hong Kong Limited (the "HKSE") (stock code: 85704).

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

(a) 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 premiums 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.

(b) 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:

	2014	2013
	RMB'000	*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 during the year	**(4,833)**	–
Carrying amount at 31 December 2014	**542,822**	–
Fair value of the 2017 Senior Notes*	**547,400**	–

* The fair values of the 2017 Senior Notes are determined based on the price quoted on the HKSE on 31 December 2014.

13. 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 2013	–	18,290	–	–	18,290
Deferred tax credited to profit or loss during the year *(note 5)*	–	1,099	2,109	–	3,208
At 31 December 2013 and 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	6,070	18,682	5,766	1,990	32,508

The Group has tax losses arising in Hong Kong of RMB27,075,000 (2013: RMB15,454,000) 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 RMB38,942,000 (2013: 3,885,000) that will expire in one to five years for offsetting against future taxable profits of the company 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 2013	58,497
Deferred tax charged to profit or loss during the year *(note 5)*	28,363
At 31 December 2013 and 1 January 2014 and 31 December 2014	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 RMB512,992,000 as at 31 December 2014 (31 December 2013: Nil).

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

14. DEFERRED INCOME

	2014 ***RMB'000***	2013 *RMB'000*
Government grants		
At 1 January	**555,044**	230,075
Government grants related to assets received during the year	**39,914**	378,138
Released to profit or loss:		
Over the expected useful lives of the related assets	**(24,459)**	(5,039)
Upon disposal of the related assets	**(131,226)**	(48,130)
At 31 December	**439,273**	555,044

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.

15. ISSUED CAPITAL

	2014 *US$'000*	2013 *US$'000*
Shares		
Authorised		
1,200,000,000 ordinary shares of US$0.01 each	**12,000**	12,000
Issued and fully paid		
695,395,996 (2013: 691,824,996) ordinary share of US$0.01 each	**6,954**	6,918
Equivalent to RMB'000	**46,466**	46,247

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

		Number of shares in issue	Issued capital *RMB'000*
At 1 January 2013		**632,861,997**	**42,606**
Issue of shares		**40,000,000**	**2,454**
Share option exercised		**18,962,999**	**1,187**
At 31 December 2013 and 1 January 2014		**691,824,996**	**46,247**
Share option exercised	*(a)*	**3,571,000**	**219**
At 31 December 2014		**695,395,996**	**46,466**

(a) The subscription rights attaching to 2,821,000 share options were exercised at the subscription price of HK$3.58 per share and 750,000 share options were exercised at the subscription price of HK$2.78 per share, respectively, resulting in the issue of 3,571,000 shares for a total cash consideration, before expenses, of HK$12,184,180 (equivalent to approximately RMB9,634,000). An amount of RMB4,430,000 was transferred from the share option reserve to share capital upon the exercise of the share options..

16. EVENT AFTER THE REPORTING PERIOD

On 30 January 2015, the Company has entered into a placing agreement in connection with the issue and placing of the 7.75% senior notes with an aggregate principle amount of HK$250,000,000 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.

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 for the development of high-end curtain wall in future. Leveraging on our track record and extensive experience in our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and renewable energy goods. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. Our Group will endeavour to continue our focus on solar business. In the long run, we will aspire and strive to grow into an enterprise with a focus on renewable energy business.

FUTURE PLAN AND STRATEGIES

Curtain wall and green building business

Despite the unfavourable market environment in the construction industry in China, the Group still recorded a 21.9% growth in curtain wall and green building business. The Chinese government implemented various supporting programs on green buildings. We therefore are strategically shifting our focus in to green building area so as to explore new business opportunity.

Solar EPC business

The Group has firstly entered into the Solar EPC market in China in 2007, because of the strong support by the Golden Sun Program, our Solar EPC business recorded a significant growth over the past few years. In 2013, the Chinese Government also launched National-wide Feed-in-Tariff Program (“FIT”) and Distributive Power Program (“DG”). In 2015, the aggregate target from FIT and DG would be 17.8GW. The Mainland China is currently the largest solar user in the World and we are confident to maintain the leading position in Solar EPC area.

Development of renewable energy goods and new materials

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

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

Self-Develop solar projects

Apart from being Solar EPC, the Group also develops (to invest and to build) its own solar projects. In 2014, the Group has developed approximately 103MW of self-developed projects. The Group sold 25MW of solar projects to an independent third party inside Mainland China for a consideration of RMB89.7 million, net gain on disposal was RMB35.3 million, and sold 5MW of income right to an independent third party in Hong Kong for a consideration of RMB19 million.

As at the end of 2014, the Group had 80MW of ground-mounted solar farms and 90.8MW of roof-top solar power station under Golder Sun in operation. Total electricity income, including government subsidy, was approximately RMB51.6 million. The Group had approximately 274MW of solar projects on hand as at 31 December 2014.

Up to the date of this announcement, the Group has approximately 100MW of solar projects under development and we plan to build not less than 300MW in this year.

Overseas business opportunities

Revenue outside Mainland China accounted for approximately 0.8% of our total revenue in 2014. The Group has already secured certain sizable projects in Hong Kong, Macau and some Southeast Asia regions, a significant increase in overseas business is expected in 2015.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	Year ended 31 December	
	2014	2013
	RMB' million	*RMB' million*
Curtain walls and green buildings		
– Public work	**335.7**	381.3
– Commercial and industrial	**1,076.9**	900.5
– High-end residential	**258.2**	88.9
	1,670.8	1,370.7
Solar EPC		
– Public work	**49.7**	85.6
– Commercial and industrial	**2,014.7**	1,803.3
	2,064.4	1,888.9
Total Construction Contracts	**3,735.2**	3,259.6
Sale of goods		
– Conventional materials	**186.3**	220.9
– Renewable energy goods	**1,015.6**	622.6
– New materials	**44.8**	35.9
Total sale of goods	**1,246.7**	879.4
Sale of electricity	**19.7**	5.4
Rendering of design and other services	**9.8**	6.1
Total revenue	**5,011.4**	4,150.5

Gross profit and gross profit margin

	2014		2013	
	RMB million	*%*	*RMB million*	*%*
Construction contracts				
– Curtain walls and green buildings	**255.5**	**15.3**	220.2	16.1
– Solar EPC	**550.3**	**26.7**	556.7	29.5
	805.8	**21.6**	776.9	23.8
Sale of goods				
– Conventional materials	**31.3**	**16.8**	44.6	20.2
– Renewable energy goods	**191.6**	**18.9**	154.6	24.8
– New materials	**14.5**	**32.4**	9.5	26.5
	237.4	**19.0**	208.7	23.7
Sale of electricity	**(1.7)**	**(8.6)**	0.2	3.7
Rendering of design and other services	**7.5**	**76.5**	2.6	42.6
Total gross profit and gross profit margin	**1,049.0**	**20.9**	988.4	23.8

The Group’s revenue increased by RMB860.9 million or 20.7%, from RMB4,150.5 million in 2013 to RMB5,011.4 million in 2014. Gross profit of the Group increased by RMB60.6 million or 6.1%, from RMB988.4 million in 2013 to RMB1,049.0 million in 2014.

1) The Group’s curtain wall and green building business recorded a growth of RMB300.1 million or 21.9%; gross profit increased by RMB35.3 million or 16.0%. Gross profit margin dropped slightly to 15.6%. The increase in curtain wall business and green building was mainly driven by the commercial and residential sector.

   Looking forward to 2015, the Group will put more emphasis on government or infrastructure related projects.

2) The Group’s Solar EPC business grew by RMB175.5 million or 9.3%, gross profit slightly dropped by RMB6.4 million or 1.1%. Gross profit margin was 26.7%.

   Strong demand is noted in Commercial and industrial sector and revenue grew by 11.7%. The Mainland China government continue to give strong support to both Distributed Power (“DG”) and feed-in-tariff (“FIT”), also because of the cheaper material supply, investment return in solar system is more attractive than before and hence demand from commercial and industrial are strong.

3) Sale of goods comprise sale of conventional materials; sale of renewable energy goods and sale of new materials. Sale of goods increased by RMB367.3 million or 41.8%, the main driver was the sale of renewable energy goods and new materials.

   Sale of conventional materials dropped by RMB34.6 million or 15.7% during the year, the Group is shifting focus to more profitable renewable energy goods and solar related business and hence sale from curtain wall business drop.

   For sale of renewable energy goods, nearly 63.1% of revenue growth is noted because of the significant increase in demand. On the other hand, gross profit increased by RMB37.0 million or 23.9%, gross profit margin in 2014 was 18.9% (2013: 24.8%). The government has just finalized the DG policy in September 2014, majority of our products sale during the year were targeted to solar farm and therefore lower margin was noted.

   Outlook for new material business remains positive, revenue grew by RMB8.9 million or 24.8%, gross profit margin during the year was 32.4% (2013: 26.5%).

Revenue and profit contribution from different business sectors:

Revenue split

	2014		2013	
	RMB million	***%***	*RMB million*	*%*
Conventional business[1]	**1,866.9**	**37.2**	1,597.7	38.5
Renewable energy business[2]	**3,099.7**	**61.9**	2,516.9	60.6
New material business	**44.8**	**0.9**	35.9	0.9
	5,011.4	**100**	4,150.5	100

Profit split

	2014		2013	
	RMB million	***%***	*RMB million*	*%*
Conventional business[1]	**294.3**	**28.0**	267.4	27.1
Renewable energy business[2]	**740.2**	**70.6**	711.5	72.0
New material business	**14.5**	**1.4**	9.5	0.9
	1,049.0	**100.0**	988.4	100.0

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

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

Other income and gains

Other income and gains mainly represented recognition of deferred income, receipt of government subsidy and interest income from banks. The increase was mainly because RMB131.2 million (2013: RMB48.1 million) of deferred income was recognised in respect of the selling of solar assets.

Selling and distribution expenses

Selling and distribution expenses increased by RMB13.3 million or 17.6%. 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 RMB51.8 million or 23.7%. The increase in administrative expenses was again mainly driven by the increase in staff costs, depreciation, research expense and other business related expenses.

Other expenses

Other expenses increased by RMB67.9 million comparing with 2013. The increase was mainly because of the RMB72.7 million (2013: RMB28.5 million) loss on selling of 25MW (2013: 15MW) solar systems, RMB10.1 million of issue expenses of convertible bonds and RMB3.0 million of fair value loss on derivative financial instruments.

Finance costs

The Group's finance costs increased by RMB127.0 million. The increase in finance costs was because of the increase in bank and other loans (including bank advances for discounted bills), interest incurred on convertible bonds and senior notes issued in Hong Kong, and the penalty on early repayment of a syndication loan.

Income tax

Income tax included RMB125.1 million of taxation charge and RMB11.0 million of deferred tax credit.

Deferred tax credit of RMB11.0 million (2013: RMB3.2 million) has been recorded mainly in respect of tax loss, fair value adjustment on retention receivables and government grants. In 2013, deferred tax also included RMB28.4 million deferred tax charge on provision for dividend withholding tax based on 5% of net profits on operating subsidiaries of the Group located inside Mainland China.

Strong current ratio

The current ratio being current assets over current liabilities, was 1.58 as at 31 December 2014 (2013: 1.46).

Trade and bills receivables/trade and bills payables turnover days

Turnover days	**At 31 December 2014** ***Days***	At 31 December 2013 *Days*
Trade receivables	**143**	134
Trade payables	**117**	103

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 2014 was 143 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 2014 was 117 days, an improvement is noted when comparing with 2013.

Liquidity and financial resources

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

In August 2014, the Group has completed a RMB930 million USD settled convertible bonds (the "CB"). The CB bears interest at 5% per annum and convertible into the shares of the Company, details of which has been set out in the announcements of the Company dated 17 July 2014 and 8 August 2014. The net proceeds of the CB was approximately RMB903 million (USD146 million), as at the date of this announcement, approximately USD92 million or 63% of the net proceeds has been used to repay existing banking obligations and the rest of the proceeds were mainly used in capital expenditure.

In November 2014, The Group has completed a RMB560 million 3 years senior note which bear interest at 7.875% per annum, details of which has been set out in the announcements of the Company dated 11 November 2014 and 17 November 2014. The net proceeds of the senior note was approximately RMB542 million, of which RMB398 million or 73% has been used as capital expenditure and the rest was mainly used as operating expenses as at the date of this announcement.

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 (being bank and other loans, bank advances for discounted bills, senior notes and liability component of the Convertible Bonds, less cash and cash equivalents) to total equity at 31 December 2014 was 64.4% (2013: 25.2%).

Capital Expenditures

Capital expenditure of the Group for the year ended 31 December 2014 was RMB1,055.1 million, major investment during the year included roof top or ground mounted solar systems; a new factory premises and a new office and R&D centre in Zhuhai. Capital expenditure in 2013 was RMB1,292.3 million and was mainly for construction of self owned solar systems.

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB1,379.2 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 + 2.5% for a short term loan in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 5.04%-9.07%.

Apart from the bank and other borrowings, the Group also raised RMB930 million of CB with coupon rate of 5% per annum and RMB560 million of senior note with coupon rate of 7.875% per annum, both of them are unsecured.

Foreign currency risk

The Group's principle businesses are located in the PRC and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for that of the overseas subsidiaries which functional currencies are currencies other than the RMB and certain items of cash and cash equivalents that are denominated in HK$, US$ and other currencies.

The Group does not consider that it has any significant exposure to the risk of fluctuation in the exchange rate between HK$, US$ and RMB as a reasonable possible change of 5% in RMB against US$ would have no significant financial impact to the Group's profit.

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 12.8% and 42.9% (2013: 22.6% and 41.4%) 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$0.09 per share (2013: HK$0.09 per share). The Company is in rapid expansion stage, the actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

Closure of register of members

The register of members will be closed from Thursday, 21 May 2015 to Wednesday, 27 May 2015, 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 Wednesday, 20 May 2015.

The Company's register of members will be closed from Tuesday, 2 June 2015 to Wednesday, 3 June 2015 (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, 1 June 2015.

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, 10 July 2015.

HUMAN RESOURCES

As at 31 December 2014, the Group had about 2,700 employees. Employee salary and other benefit expenses increased to approximately RMB190.0 million in 2014 from approximately RMB162.4 million in 2013, which represented an increase of 17.0%. 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 2014, 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 2014.

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 2014.

Purchase, sales and redemption of Company's listed securities

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 2014 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 2015

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.