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OVERVIEW

We are a professional building engineering company engaging principally in the design, fabrication and installation of conventional curtain walls. We also engage in the design, fabrication and installation of thin-film BIPV systems. 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. In addition, we also engage in the production and sale of solar-power products. Leveraging on our track record and wide spectrum of experiences from our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and solar-power products. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. The Company will endeavour to shift its focus from conventional curtain wall business to BIPV business and solar-power product business. In the long run, we aspire and strive to grow into an enterprise with a focus on renewable energy business.

The following table sets out our revenue from the respective business segment during the Track Record Period:

	Year ended 31 December						Six months ended 30 June			
	2005		2006		2007		2007		2008	
	<i>(RMB million)</i>	%	<i>(RMB million)</i>	%	<i>(RMB million)</i>	%	<i>(RMB million)</i>	%	<i>(RMB million)</i>	%
Engineering Projects										
1. Conventional Curtain Walls	308.9	87.3	373.5	90.0	498.7	82.5	214.5	82.1	300.1	80.1
2. BIPV	—	—	—	—	32.2	5.3	10.6	4.1	27.5	7.3
Sub-total	308.9	87.3	373.5	90.0	530.9	87.8	225.1	86.2	327.6	87.4
Sales of materials										
1. Curtain wall materials	44.0	12.5	40.4	9.7	67.0	11.0	35.8	13.7	42.9	11.5
2. Solar-power products	—	—	—	—	5.8	1.0	—	—	3.1	0.8
Sub-total	44.0	12.5	40.4	9.7	72.8	12.0	35.8	13.7	46.0	12.3
Other services	0.8	0.2	1.1	0.3	1.0	0.2	0.2	0.1	1.0	0.3
Total	353.7	100.0	415.0	100.0	604.7	100.0	261.1	100.0	374.6	100.0

We have an established track record in curtain wall engineering projects. Zhuhai Singyes, a member of our Group, has been awarded by the PRC Ministry of Construction (中國建設部) the “Level 1 Contracting for Construction of Curtain Wall Projects” (建築幕牆工程專業承包一級) and “Class A Project Design for Curtain Wall Projects” (建築幕牆專項工程設計甲級). According to the CCMSA Report, at the end of 2006, only 79 enterprises had been awarded both of these qualifications in the PRC. As at the Latest

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Practicable Date, we had engaged in not less than 400 projects spanning across the PRC. Our BIPV system has been recognized as one that is advanced in the PRC, according to the Certificate of Science and Technological Achievement (科學技術成果鑒定證書) granted by the Science and Technology Bureau of the Guangdong Province (廣東省科學技術廳) in November 2007. The certificate was granted to us after the certification committee considered various factors relating to our BIPV system including the technology involved, system specifications, system quality, customer evaluation, economic and social benefits, testing result, production process and the result of novelty assessment.

Five of the projects in which we participated had been awarded the China Construction Luban Award (中國建築工程魯班獎) by the PRC Ministry of Construction (中國建設部) and the China Civil Engineering (Zhan Tianyou) Award (中國土木工程(詹天佑)大獎) by the China Civil Engineering Society (中國土木工程協會), both of which are prestigious and recognised awards in the construction industry and railway industry, respectively, in the PRC.

Our customers include government authorities, state-owned and private construction companies and property developers in the PRC. We undertake curtain wall engineering and BIPV projects primarily in three areas:

- public work, including railway stations, airports, government buildings, municipal utilities and recreational facilities;
- commercial and industrial buildings, including hotels and office buildings; and
- high-end residential buildings.

We have extensive experience in public work related curtain wall engineering projects. During the Track Record Period, a substantial portion of our revenue was derived from public work related curtain wall engineering projects. It accounted for approximately 32.4%, 44.3% and 45.4% of our revenue for the years ended 31 December 2005, 2006 and 2007 respectively, and approximately 39.5% and 38.6% for the six months ended 30 June 2007 and 2008 respectively. Leveraging on our experience in public work related curtain wall engineering projects, we are well positioned to capture the growing business opportunities arising from the PRC government's commitment to increasing the expenditure on public work projects in China in the future.

Some of our representative BIPV projects include the National Olympic Sports Center Stadium (國家奧林匹克體育中心體育場) in Beijing (completed in October 2007), Jiaoji Railway Qingdao Station BIPV System Reformation Project (膠濟鐵路青島客站改造光伏發電系統工程) (completed in June 2008), Green Corridor of Yuehai Park in Weihai City (威海市悅海公園綠色長廊) (completed in October 2007) and Weihai Tian An Real Estate Office Building in Weihai City (威海天安房地產辦公樓) (completed in December 2007).

We operate our business mainly in the PRC. In the coming years, we intend to expand our business into the overseas market by further developing our business in BIPV systems and solar-power products. We have commenced research and development of solar-power

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products since 2005 and plan to enhance our development in renewable energy business. During the Track Record Period, we have developed a number of products powered by solar energy, including independent power station system (獨立電站系統), solar water pumping system (光伏水泵), solar home system (戶用獨立電源系統) and solar lighting system (太陽能亮化系統).

There has been a considerable growth in our revenue and gross profit during the Track Record Period. Our revenue was approximately RMB353.7 million, RMB415.0 million and RMB604.7 million for the years ended 31 December 2005, 2006 and 2007 respectively, representing a respective year-on-year growth of approximately 17.3% and 45.7%. Our revenue was approximately RMB261.1 million and RMB374.6 million for the six months ended 30 June 2007 and 2008 respectively, representing a growth of approximately 43.5%.

Our gross profit was approximately RMB63.2 million, RMB70.1 million and RMB111.9 million for the years ended 31 December 2005, 2006 and 2007 respectively, representing respective a year-on-year growth of approximately 10.9% and 59.7%. Our gross profit was approximately RMB48.0 million and RMB76.1 million for the six months ended 30 June 2007 and 2008 respectively, representing a growth of approximately 58.5%.

The current PRC government policies encourage and promote the improvement of energy-saving level in buildings, the use of renewable energy and the development of energy-saving products. In particular, pursuant to the Law of Renewable Energy, a development fund is set up to support research and development on renewable energy. Certain renewable energy companies and industries are also accorded preferential tax policies. Details of the Law of Renewable Energy are set out in the paragraph headed “Supervision Regarding the Use of Solar Energy Source” under the paragraph headed “The Provisions Regarding the Business of our Company” in the “Regulatory Overview” section of this prospectus. We believe we can benefit from such government policies and we expect our BIPV business and solar-power product business to become the key growth drivers of our Group in the coming years.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths set out below have driven the growth in our revenue and gross profits and distinguish us from our competitors:

– **We have an established track record in the curtain wall engineering projects**

Zhuhai Singyes, a member of our Group, has been awarded by the PRC Ministry of Construction “Level 1 Contracting for Construction of Curtain Wall Projects” (建築幕牆工程專業承包一級) and “Class A Project Design for Curtain Wall Projects” (建築幕牆專項工程設計甲級). According to the CCMSA Report, at the end of 2006, only 79 enterprises had been awarded both of these qualifications in the PRC. Zhuhai Singyes is also a member of the China Construction and Decoration Association (中國建築裝飾協會), the vice-chairman of the Curtain Wall Construction Committee of the China Construction and Decoration Association (中國建築裝飾協會幕牆工程委員會) and the Zhuhai Building Association (珠海建築業協會). Zhuhai Singyes is also a committee member in the Construction Product and Structural Component Product

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Standardization Technical Committee (建築製品與構配件產品標準化技術委員會) of the PRC Ministry of Construction (中國建設部), the vice-chairman of the Standardization Technical Committee of China Construction Ministry for Windows and Curtain Walls (中國建設部幕牆門窗標準化技術委員會) and a member of CCMSA. As at the Latest Practicable Date, we had engaged in not less than 400 projects spanning across the PRC. Among the Group's curtain wall engineering projects undertaken by our Group over the years, we participated in five projects that had been awarded the China Construction Luban Award (中國建築工程魯班獎) by the PRC Ministry of Construction or the China Civil Engineering (Zhan Tianyou) Award (中國土木工程(詹天佑)大獎) by the China Civil Engineering Society (中國土木工程協會), both of which are prestigious and recognised awards in the construction industry and railway industry in the PRC. Details of these awards are set out in the paragraphs headed "Certifications" and "Awards" of this section.

– **We have the qualifications and capabilities to undertake major curtain wall engineering projects all over the PRC**

Zhuhai Singyes, a member of our Group, has been awarded by the PRC Ministry of Construction (中國建設部) the "Level 1 Contracting for Construction of Curtain Wall Projects" and "Class A Project Design for Curtain Wall Projects". These qualifications allow Zhuhai Singyes to carry out the following activities:

- to undertake all types of curtain wall engineering projects in the PRC without restriction as to the contract value of the project which can be undertaken, the height of buildings or the surface area of the curtain walls;
- to become main contractors for curtain wall engineering projects;
- to provide project management service for curtain wall engineering projects; and
- to carry out the design of all types of curtain walls in the PRC without restriction as to the contract value of the project which can be undertaken, the height of buildings or the surface area of the curtain walls.

These are the highest level of qualifications for curtain wall engineering and design of curtain walls, attesting our capability to undertake major curtain wall engineering projects in the PRC.

– **We have extensive experience in public work related curtain wall engineering projects**

During the Track Record Period, we had undertaken over 80 public work related curtain wall engineering projects and the revenue generated from the public work related curtain wall engineering projects accounted for approximately 32.4%, 44.3% and 45.4% of our total revenue for the years ended 31 December 2005, 2006, 2007 respectively, and approximately 39.5% and 38.6% for the six months ended 30 June 2007 and 2008 respectively. Out of the four projects we participated in and which were

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awarded the China Construction Luban Award, three are public work related curtain wall engineering projects, including the projects of Guiyang Longdongbao Airport Terminal Building Glass (貴陽龍洞堡機場航站樓玻璃工程), Ningqi Railway Yangzhou Station Curtain Wall Project (寧啟鐵路揚州站站房幕牆工程) and Zunyi Power Supply Bureau Production Base Building Glass Curtain Wall Project (遵義供電局生產基地綜合樓玻璃幕牆工程).

The PRC government is committed to increasing the expenditure on public work projects in China. According to the China Statistics Yearbook 2007, the spending of the PRC government on infrastructure increased from approximately RMB251.1 billion in 2001 to approximately RMB439.0 billion in 2006. Leveraging on our experience in public work related curtain wall engineering projects, we are well positioned to capture the market opportunities in public work related curtain wall engineering projects and BIPV projects.

On 31 March 2008, Zhuhai Singyes entered into a strategic cooperation agreement with the Transportation Committee of the Management Association of Railway Enterprise of the PRC (中國鐵道企業管理協會運輸委員會) (“Railway Enterprise Management Association”) to promote and introduce Zhuhai Singyes’ technology and products in respect of its BIPV systems and solar-power products in railway construction in the PRC and also to promote the application and use of such technology and products to railway stations in the more remote parts of the PRC and different areas of the railway industry. The Railway Enterprise Management Association is an association registered at the Ministry of Civil Affairs of the PRC. Its roles include liaison with various railway bureaus in the PRC with respect to improvements in management and safety management of railway transaction organisations. The association is under the direct guidance and management of the PRC government. Various committee members of the association are existing or former officials of the PRC Ministry of Railways and the various railway bureaus in the PRC. The association works closely with various railway bureaus to enhance and improve the management and safety of railway transportation and to introduce advanced technology in railway transportation.

Pursuant to such agreement, Zhuhai Singyes will make capital investment of RMB100,000 in the initial phase to set up the PRC Railway Industry Office which will promote Zhuhai Singyes’ products and technology and assist Zhuhai Singyes to secure projects. The Railway Enterprise Management Association oversees the day-to-day operation and management of the PRC Railway Industry Office and provides consultation and service under the agreement with respect to the technology and products of Zhuhai Singyes that it seeks to promote to railway enterprises. For each project secured through the assistance of the Railway Industry Office, 3% of the contract value of such project will be contributed to the Railway Industry Office as its operation funds. Pursuant to the agreement, the Railway Industry Office will promote the advanced technology in respect of Zhuhai Singyes’ BIPV systems and solar power products and the associated economic benefits in their use and application. In order to source business opportunities, the Railway Industry Office will collect market information as regards any upcoming plans of new construction, expansion or renovation of railway stations. The Railway Industry Office will also assist us in the

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negotiation of construction projects and the preparation of tenders. Both parties are entitled to terminate the agreement by giving one-month written notice to the other party and close down the Railway Industry Office. As at the Latest Practicable Date, no project has been secured through the assistance of the Railway Industry Office. We believe that the strategic cooperation with the Railway Enterprise Management Association will provide us with more business opportunities for curtain wall engineering and BIPV projects in the railway industry.

– **Our BIPV system has been recognized as one that is advanced in the PRC**

We were granted the Certificate of Science and Technological Achievement (科學技術成果鑒定證書) by the Science and Technology Bureau of the Guangdong Province (廣東省科學技術廳) in November 2007 in recognition that our BIPV system as one that is advanced in the PRC. The certificate was granted to us after the certification committee considered various factors relating to our BIPV system including the technology involved, system specifications, system quality, customer evaluation, economic and social benefits, testing result, production process and the result of novelty assessment. Some of our representative BIPV projects include National Olympic Sports Center Stadium (國家奧林匹克體育中心體育場) in Beijing (completed in October 2007), Tiaoji Railway Qingdao Station BIPV System Reformation Project (膠濟鐵路青島客站改造光伏發電系統工程) (completed in June 2008), Green Corridor of Yuehai Park in Weihai City (威海市悅海公園綠色長廊) (completed in October 2007) and Weihai Tian An Real Estate Office Building in Weihai City (威海天安房地產辦公樓) (completed in December 2007).

With our BIPV system being recognised as one that is advanced and leveraging on our curtain wall design and installation experience and capabilities, we are well positioned to capture the market opportunities in the BIPV industry.

– **We have a diversified customer base and we have established good business relationships with our customers**

We have a diversified customer base. Our customers include government authorities, state-owned and private construction companies and property developers in the PRC. Our diversified customer base reduces our reliance on any individual customer. It also provides an extensive marketing platform for our products and services.

Over the years, we have worked closely with our customers and have successfully developed and maintained good business relationships with them. The revenue generated from our five largest customers for the years ended 31 December 2005, 2006 and 2007 was approximately RMB147.2 million, RMB148.1 million and RMB243.1 million respectively, representing approximately 41.6%, 35.7% and 40.2% of our total revenue respectively. The revenue generated from our five largest customers for the six months ended 30 June 2007 and 2008 was approximately RMB120.7 million and RMB185.0 million respectively, representing approximately 46.2% and 49.4% of our revenue respectively. For the five largest customers during the Track Record Period, we

have established business relationship with three of them for more than four years. We will continue to build on our existing good relationships with our customers. During the Track Record Period, we have undertaken eight railway related projects.

– **Our business can benefit from current government policies which encourage and promote the improvement of energy-saving level in buildings, the use of renewable energy and the development of energy-saving products**

The current PRC government policies encourage and promote the improvement of energy-saving level in buildings. Pursuant to the “Guiding Opinion regarding the Development of Energy-saving and Economizing the Use of Land on Residential and Public Construction (關於發展節能省地型住宅和公共建築的指導意見)” issued by the PRC Ministry of Construction in 2005:

- newly constructed buildings in the PRC are expected to achieve an energy-saving level of 50% by the year 2010; and
- by the year 2020, it is expected that newly constructed buildings in the northern part of China as well as the economically developed coastal regions and exceptionally large cities can achieve an energy-saving level of 65%.

Pursuant to the “Notice regarding the reformation on the use of construction materials and energy-saving construction issued by the State Council (國務院關於推進牆體材料革新和推廣節能建築通知)”, government departments are expected to actively promote the use of new construction materials, implement energy-saving design, and use and purchase newly developed energy-saving construction materials. We believe that the use of energy-saving curtain walls will constitute an important part of the PRC government’s energy-saving objective.

In respect of our conventional curtain wall business, leveraging on our research and development capabilities, we are well positioned to capture the market opportunities arising from such favourable PRC government policies. During the Track Record Period, we have successfully developed and patented intelligent internal ventilation curtain wall (內循環智能呼吸幕牆), a type of curtain wall which possesses energy-saving features. Further details are set out in the paragraph headed “Conventional curtain wall business” of this section.

In addition, the current PRC government policies encourage and promote the use of renewable energy and the development of saving energy products. Article 17 of the Law of Renewable Energy provides that the State encourages units and individuals to install and use photovoltaic power generation systems. BIPV systems could be regarded as a photovoltaic power generation system. Pursuant to the Law of Renewable Energy and Tentative Provisions on the Administration of Renewable Energy Funds (可再生能源發展專項資金管理暫行辦法), a renewable energy development fund is established to support research and development on renewable energy. We believe that we can benefit from these favourable government policies. These favourable

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government policies will be a positive factor in supporting our strategies to promote our BIPV business and solar-power product business, as well as strengthening our strong position in conventional curtain wall business.

– **We possess strong research and development capabilities**

We believe that our research and development efforts will enhance our technical expertise and give us an advantage over our competitors. As such, we place a strong emphasis on our research and development activities. Our research and development department is headed by our Chairman and CEO, Mr. Liu Hongwei, who has more than 21 years of experience in the glass manufacturing and curtain wall industry. He has also been a certified senior engineer in respect of construction materials with the Guangdong Province Personnel Bureau (廣東省人事廳) since 2001 and an adjunct professor at the Wuhan University of Technology (武漢理工大學) (formerly known as Wuhan Industrial University (武漢工業大學) since 13 May 2003. As at 30 June 2008, we had 96 skillful and experienced engineers. Apart from their daily work as engineers, they are also involved in our research and development work. Details of our research and development achievements are set out in the paragraph headed “Research and Development” of this section.

We have also received various awards over the years in recognition of our research and development achievements, such as the Certificate of High-Tech Enterprise (高新技術企業認定證書) and Certificate of Science and Technological Achievement (科學技術成果鑒定證書).

Through our research and development efforts, we have developed:

- intelligent internal ventilation curtain wall (內循環智能呼吸幕牆), a type of curtain walls with energy-saving features which we have patented;
- BIPV system using amorphous-silicon thin-film PV panels which we have patented; and
- various solar-power products, including independent power station system (獨立電站系統), solar water pumping system (光伏水泵), solar home system (戶用獨立電源系統) and solar lighting system (太陽能亮化系統).

As at the Latest Practicable Date, we have registered six patents and have been granted the approval for another three patents in the PRC, and have made application for registration of six patents.

– **We have an experienced and qualified management team**

Our management team has extensive work experience in the curtain wall industry. For instance, each of our executive Directors, Messrs Liu Hongwei, Xie Wen and Sun Jinli, has over 13 years’ of experience in the curtain wall industry in the PRC. Our Chairman and CEO, Mr. Liu Hongwei is currently a member of the expert team of the Standardisation Technical Committee of China Construction Ministry for

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Curtain Walls, Doors and Windows (建設部幕牆門窗標準化技術委員會) which is responsible for advising the PRC Ministry of Construction on policies and technical measures regarding the standardisation of curtain walls. Zhuhai Singyes is currently the vice-chairman of the Standardisation Technical Committee of China Construction Ministry for Curtain Walls, Doors and Windows (建設部幕牆門窗標準化技術委員會) and a member of CCMSA.

Our executive Directors are also supported by our experienced team of executive officers. Further details on the working experience of our executive Directors and senior management team are set out in the section headed “Directors, Management and Staff” of this prospectus. We believe that our management team’s expertise and knowledge of the industry have been and will continue to be our valuable assets.

– **We are committed to ensuring safety, quality control and environmental protection during project execution and we have established a good quality management system**

We are dedicated to providing quality services to our customers. To ensure that our customers are satisfied with the quality of our curtain walls engineering and BIPV systems and other solar-power products, we have implemented and enforced strict control and measures in respect of safety, quality control and environmental protection at each stage of our operation process.

As testimony to our quality management system, our subsidiary, Zhuhai Singyes, was accredited with ISO9001:2000 Certificate of Conformity of Quality Management System Certification by CICC Conformity Assessment Services Co. Ltd. (中國檢驗認證集團質量認證有限公司) in 2006 in respect of (i) the design, production and construction of curtain walls; and (ii) production and construction of aluminium alloy doors and windows. Zhuhai Singyes has been awarded the GB/T 28001-2001 Certificate of Conformity of Occupational Health and Safety Management System in recognition of its performance in respect of occupational health and safety. Zhuhai Singyes has also been awarded ISO 14001:2004 Certificate of Conformity of Environmental Management System in recognition of its performance in respect of environment protection management.

OUR BUSINESS STRATEGIES

Leveraging on the strong position our Group has in the business of curtain wall engineering, we plan to further strengthen and develop our BIPV and solar-power product businesses. In the long run, we aspire and strive to grow into an enterprise with a focus on renewable energy business. Our business strategies are set out as follows:

– **Maintaining our strong position in our conventional curtain wall business in the PRC**

We intend to maintain our current strong position in conventional curtain walls business. Given our proven track record, stable client base and established customer connection, we plan to maintain a steady growth in our conventional curtain wall business through securing more public work related projects.

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– **Strengthening our BIPV business and to further develop our solar-power product business**

We intend to further strengthen our BIPV business by undertaking more BIPV projects. As the target customers of our BIPV projects largely overlap with those of our conventional curtain wall business, we can tap into the established networks of customers and subcontractors of our conventional curtain wall business to promote our BIPV business. We believe that the combination of our proven track record, our expertise, our strategic co-operation the Railway Enterprise Management Association, our technical know-how and experience in the curtain wall industry, our strength in BIPV business would position us well as we anticipate great development potential of BIPV projects in the coming years.

We intend to devote more research efforts in the development and design of new solar-power products in the near future in order to capture the growing market demand for solar-power products. Moreover, through the strategic cooperation with Weihei China, a supplier of thin-film PV panels and a company which we hold 13% equity interest, we aim to tap into its PRC and overseas customer base and distribution network to secure business for our BIPV systems and solar-power products and to seek overseas business opportunities.

Our Directors believe that the demand for our BIPV systems and solar-power products in the PRC will continue to grow in the future, primarily driven by the PRC government's strong commitment to enhance the use of renewable energy to replace conventional energy sources as evidenced by the enactment of the Law of Renewable Energy, and the promulgation of the Mid-and-Long Term Development Plan of Renewable Energy by the National Development and Reform Commission, details of which are set out in the paragraph headed "Solar Power Utilization in the PRC" in the section headed "Industry Overview" of this prospectus. Shortly after the commencement of its businesses of BIPV and solar-power systems in 2007, our Group has already contracted a number of BIPV projects not only for public works but also for commercial and industrial buildings. In particular, our Group has been awarded the BIPV projects of Qingdao Railway Station, Hohhot Railway Station, Weihai Public Culture Center and Ganzhou Museum.

Taking into account (i) our Group's strategic focus on its BIPV and solar-power businesses which are encouraged and supported by the relevant PRC laws and regulations including the plan to enhance the PV power generation capacities in the PRC to reach approximately 300MW by 2010 and the subsequent announcement of feed-in mechanism, details of which are set forth in the paragraph headed "Solar Power Utilization in the PRC" in the section headed "Industry Overview" of this prospectus; (ii) our Group's extensive business network throughout the PRC and its consistently good business relationships with state-owned and private developers and contractors; (iii) our Group's patented a-Si BIPV system backed by continuous commitment in research and development; and (iv) our Group's top-class qualifications in respect of curtain wall construction contracting and project design and its award-winning track

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record, our Directors consider that our Group is professionally qualified and technically prepared to capitalize on the market potential for BIPV systems and solar-energy products triggered by the favourable PRC laws and regulations.

– **Focusing on public work projects**

We plan to undertake more public work related curtain wall engineering and BIPV projects, in particular, those for railway stations. Railway transportation has developed rapidly in China in recent years. Under the Eleventh Five-Year Plan, it is expected that the total investment in railway construction projects by the PRC government will be approximately RMB1.25 trillion between 2006 and 2010. This trend of capital investment by the PRC government in railway construction projects coupled with the government policies that encourage energy-saving products and the use of renewable energy will create opportunities for our conventional curtain wall and BIPV business. Based on the Mid-to-Long Term Railway Network Development Plan approved by the State Council, during 2006 to 2010, about 548 railway stations will be built or redeveloped. As at September 2007, about 15 railway stations had been built and 19 stations are in the process of construction while about 242 railway stations are in the process of project design. Our Directors believe that, given our Group's proven track record of engaging in railway station projects, our established relationship with state-owned developers and contractors and our strategic cooperation with Transportation Committee of the Management Association of Railway Enterprise of the PRC, our Group is able to secure more railway-related projects in the near future and introduce the use of BIPV and solar-power products in railway stations.

We also plan to promote our solar-power products in public work projects. We have entered into a cooperation agreement with Zhuhai Wan Shan Ocean Development Testing Zone Construction Bureau (珠海萬山海洋開發試驗區建設局) (“Wan Shan Construction Bureau”) in 2007 to engage in a renewable energy project to develop Wan Shan Islands (萬山群島). With the assistance of Zhuhai Singyes in respect of its expertise in research and development, the parties engaged in a cooperation project to develop solar power resources on Wan Shan Islands with a view to solve the problem of costly and inadequate supply of electricity on the islands. The total capital investment of the project is expected to be RMB10,000,000, which will be paid in two years mainly by the government of the district and town. The average investment for each household in respect of the installation of solar home system is RMB5,500. Pursuant to the cooperation agreement, Wan Shan Construction Bureau will be responsible for the promotion work of the development and use of renewable energy and to encourage residents of the islands to participate in the renewable energy project through installing solar home systems using the financial subsidy provided by the district and town government. Our roles and responsibilities under the cooperation agreement include project design, research and development of application of solar energy on the islands, coordinate with Wan Shan Construction Bureau to carry out the promotion work and providing after-sales service of maintenance and rectification works. The project involves the design, research and development and installation of solar home system, independent power station system and solar lighting system, the

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aim of which is to supply electricity for household consumption and illumination of the islands. Apart than the aforesaid arrangements, there is no other cost or profit sharing arrangement.

– Strengthening our research and development capabilities

We have been devoting significant research efforts and resources since 2005 in the research and development of BIPV systems and solar-power products and the use of thin-film BIPV panels in such areas.

Given the fast-paced growth of the curtain wall industry, it is likely that competition in this industry will intensify. In order to maintain our competitive edge, we will continue to focus on strengthening our research and development capabilities. We will continue to research on BIPV related products and services and other solar-power products.

In December 2007, we entered into a cooperation framework agreement with Zhongshan University in the PRC. Pursuant to the cooperation framework agreement, Singyes Renewable Energy shall make capital contribution in the sum of RMB200,000 to set up a photovoltaic engineering research centre at the Technological College of Zhongshan University with research focus on areas including BIPV, independent/integrated-grid power generation systems using complementary wind and solar energy, and the feasibility study on the application of renewable energy on islands. Zhongshan University will cooperate with Singyes Renewable Energy to research on and develop the BIPV market and products by providing the relevant research facilities and technology. Zhongshan University will also provide free technological training to the staff of Singyes Renewable Energy. Under such cooperation framework agreement, the parties shall enter into a separate agreement for each particular research project in the aforesaid areas which will stipulate the party that will make capital contribution to the research project and that any intellectual property rights and research results shall be owned by the party who makes capital contribution to the research projects. Both parties are entitled to conduct further research based on the intellectual property rights and research results. Other than the aforesaid arrangements, there are no profit sharing arrangement. The term of the cooperation agreement is two years from 30 November 2007. We believe that the cooperation agreement will strengthen our research and development capabilities for our BIPV and solar-power product business.

Singyes Renewable Energy entered into a technology development agreement with Zhongshan University on 3 June 2008. Under the agreement, Singyes Renewable Energy engaged Zhongshan University in the research and development of solar water pumping system with a capacity of 100W-2200W. Singyes Renewable Energy will make capital contribution of RMB300,000 to Zhongshan University as research funding which will be paid by installments in three years. The research funding of RMB300,000 to be contributed by Singyes Renewable Energy consists of technology development fee of RMB150,000, materials and facilities fee of RMB75,000, labour fee (including subsidy for research students) of RMB60,000 and management fee of RMB15,000. Pursuant to the agreement, Zhongshan University shall provide Singyes

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Renewable Energy within 15 days from the effective date of the agreement, which is 1 May 2008, a research and development plan as regards the research and development of at least three solar water pumping systems with a specification and capacity of 100W-2,200W and provide information as regards the relevant production facilities of the solar water pumping systems. Within three months upon signing of the agreement, Zhongshan University shall provide technology specification plans of different solar water pumping systems with three different specifications that can be put into production and to provide the user's manual for the above products. We have already received such documents from Zhongshan University. The term of the agreement will be valid from May 2008 to December 2010. Singyes Renewable Energy shall have the right to apply for the registration of the intellectual property right and shall be the owner of any intellectual property rights of the research results. The research and development professionals of Zhongshan University who have participated in the research and development project under the agreement shall be entitled to the right to disclose his or her name in the document of the relevant research result and the right to obtain the relevant certificates of honour and awards. Properties include the facilities, equipment and information related to the research project purchased and financed by the research funding of the agreement shall be owned by Zhongshan University. Apart than the aforesaid arrangements, there is no other profit sharing arrangement.

We have also entered into a training agreement with Wuhan University of Technology in February 2008 for a term of five years where Wuhan University of Technology will provide quarterly update on industry information and technical information with respect to glass industries and provide training to our staff of Zhuhai Singyes once every two months. In addition, we will seek opportunities to work with, and to learn from, other overseas experts who are involved in our overseas projects.

– Seeking business opportunities outside the PRC

We began to provide services to our first overseas customers in June 2007. In February 2007, Zhuhai Singyes established an overseas business department to expand our business outside the PRC. We are currently undertaking a curtain wall engineering project in Macau and have entered into a sales contract with a customer in Singapore. For the six months ended 30 June 2008, approximately RMB11.8 million of our revenue was derived from overseas market. On 8 August 2008, we have entered into a sales contract with a customer in Abu Dhabi in United Arab Emirates. We believe that there is a strong growth potential for our BIPV systems and solar-power products outside the PRC. We seek to leverage on strategic cooperation with Weihai China and our established networks of subcontractors and customers to explore business opportunities outside the PRC. We are also actively seeking business partners who can assist us in sourcing for more business opportunities in BIPV projects outside the PRC. We have already entered into strategic partnership agreements with three different entities in the Middle East in April and May 2008 regarding the development of BIPV markets for commercial real estate development applications and solar home system. One of these entities is based in Syria and the other two entities are based in the U.A.E. The business activities of these entities include electrical installations and maintenance of commercial, educational and industrial complexes, residential buildings and hospitals, contracting and construction. The strategic partnership agreements aim to

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explore business opportunities and develop the market in respect of the application of BIPV systems and solar home systems in Iraq and U.A.E. Pursuant to the strategic partnership agreements, we shall provide engineering and design support whereas our Middle East strategic partners shall provide marketing support for our BIPV systems and solar home systems. The term of each of the agreements shall be a minimum of three years. Our Directors advised that the parties are still in the process of negotiating other terms of the cooperation. Details of cooperation will be further agreed by the parties on a case-by-case basis. Our strategic partners are now in the course of sourcing business opportunities for our Group.

In order to create brand awareness in the overseas market, we have participated in and plan to participate more in various trade fairs and exhibitions in the PRC and overseas. Such trade fairs and exhibitions provide us with a platform to collate relevant market information and trends and provide us with the opportunity to meet with potential customers. The trade fairs and exhibitions in which we had participated include the annual trade fair organized by CCMSA, the BIPV exhibition held in Milan in 2007 and the exhibition regarding the future energy source held in Abu Dhabi in 2008.

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Our business can be broadly divided into engineering projects, sales of materials and other services.

Our engineering project business consists of our conventional curtain wall business and BIPV business. With respect to conventional curtain wall projects, such business includes the design, fabrication and installation of curtain walls. With respect to BIPV projects, such business includes the design, fabrication and installation of BIPV systems.

We also sell curtain wall materials and solar power products.

Other services consist of the undertaking of design work relating to curtain wall engineering at our customers' request.

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The following table sets out our revenue from each respective business segment during the Track Record Period:

	Year ended 31 December						Six months ended 30 June			
	2005		2006		2007		2007		2008	
	(RMB million)	%	(RMB million)	%	(RMB million)	%	(RMB million)	%	(RMB million)	%
Engineering Projects										
1. Conventional Curtain Walls										
– Public Work	114.6	32.4	184.0	44.3	274.7	45.4	103.1	39.5	144.7	38.6
– Commercial and industrial buildings	170.5	48.2	165.4	39.9	210.3	34.8	109.0	41.7	146.2	39.0
– High-end residential buildings	<u>23.8</u>	<u>6.7</u>	<u>24.1</u>	<u>5.8</u>	<u>13.7</u>	<u>2.3</u>	<u>2.4</u>	<u>0.9</u>	<u>9.2</u>	<u>2.5</u>
	308.9	87.3	373.5	90.0	498.7	82.5	214.5	82.1	300.1	80.1
2. BIPV										
– Public Work	–	–	–	–	12.7	2.1	7.3	2.8	26.6	7.1
– Commercial and industrial buildings	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>19.5</u>	<u>3.2</u>	<u>3.3</u>	<u>1.3</u>	<u>0.9</u>	<u>0.2</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>32.2</u>	<u>5.3</u>	<u>10.6</u>	<u>4.1</u>	<u>27.5</u>	<u>7.3</u>
Sub-total	308.9	87.3	373.5	90.0	530.9	87.8	225.1	86.2	327.6	87.4
Sales of materials										
1. Curtain wall materials	44.0	12.5	40.4	9.7	67.0	11.0	35.8	13.7	42.9	11.5
2. Solar-power products	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5.8</u>	<u>1.0</u>	<u>–</u>	<u>–</u>	<u>3.1</u>	<u>0.8</u>
Sub-total	44.0	12.5	40.4	9.7	72.8	12.0	35.8	13.7	46.0	12.3
Other services	<u>0.8</u>	<u>0.2</u>	<u>1.1</u>	<u>0.3</u>	<u>1.0</u>	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>	<u>1.0</u>	<u>0.3</u>
Total	<u><u>353.7</u></u>	<u><u>100.0</u></u>	<u><u>415.0</u></u>	<u><u>100.0</u></u>	<u><u>604.7</u></u>	<u><u>100.0</u></u>	<u><u>261.1</u></u>	<u><u>100.0</u></u>	<u><u>374.6</u></u>	<u><u>100.0</u></u>

During the Track Record Period, the revenue attributable to our conventional curtain wall business amounted to approximately RMB308.9 million, RMB373.5 million, RMB498.7 million and RMB300.1 million, respectively, representing approximately 87.3%, 90.0%, 82.5% and 80.1% of our total revenue, respectively. We commenced our business in BIPV and solar-power products in 2007 and our revenue attributable to BIPV business amounted to approximately RMB32.2 million and RMB27.5 million for 2007 and the six months ended 30 June 2008 respectively, representing approximately 5.3% and 7.3% of our total revenue for the respective period. Our revenue attributable to solar-power product business amounted

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to approximately RMB5.8 million and RMB3.1 million for 2007 and the six months ended 30 June 2008 respectively, representing approximately 1.0% and 0.8% of our total revenue for the respective period.

Conventional curtain wall business

We undertake curtain wall engineering projects for customers in both public and private sectors in the PRC. Our customers include government authorities, state-owned and private construction companies and property developers in the PRC. We undertake curtain wall engineering projects in primarily three areas:

- public work, including railway stations, airports, government buildings, municipal utilities and recreational facilities;
- commercial and industrial buildings, including hotels and office buildings; and
- high-end residential buildings.

Our curtain wall engineering projects can be broadly divided into ordinary curtain walls and multifunctional curtain walls.

(i) Ordinary curtain wall (普通幕牆)

We undertake curtain wall engineering projects which involve the design, fabrication and installation of curtain walls. The term “curtain wall” is used to describe the external wall or facade of modern buildings, which consists of a combination of supporting structures to attach the curtain wall panels to the main building structure. Its primary functions are to protect the building, its occupants and contents, as well as to form a weather-proof barrier between the exterior of a building and its interior thereby reducing light, heat and sound transmission.

Curtain walls can be broadly classified based on the materials used, namely: (a) glass curtain walls; (b) metal curtain walls; (c) granite curtain walls; and (d) composite curtain walls.

Aluminium panels are most commonly used for metal curtain walls. Composite curtain walls are basically made up of a combination of different materials such as glass, metal and granite. We also use energy-saving materials in the curtain wall design such as Low-Emissivity Coated Glass (“Low-E Glass”) (低輻射鍍膜玻璃) and Insulated Glass (中空玻璃). Low-E Glass reduces the amount of heating and cooling necessary to keep the interior of a building at desired temperature, and that can lead to significant energy savings. Insulated Glass is a multi-glass combination consisting of two or more panes enclosing a hermetically-sealed air space filled with molecular absorbent. It has good heat insulation and can reduce thermal losses and energy transfer from one side of the pane to the other.

(ii) Multi-functional Curtain Walls (多功能幕牆)

Apart from serving the primary function of offering protection to the buildings and the building interiors similar to ordinary curtain walls, multi-functional curtain walls have additional functions. Examples of these multi-functional curtain walls in our curtain wall engineering projects are as follow:

(a) Double-layer Ventilation System Curtain Wall (雙層呼吸式幕牆)

Double-layer ventilation system curtain wall allows ventilation between the two layers of glass. We have developed and patented the energy-saving design of intelligent internal ventilation curtain wall (內循環智能呼吸幕牆) which is a kind of double-layer ventilation system curtain wall. A ventilation system is connected to the top and bottom of the curtain wall and air circulates through the space between the two layers of glass. There is an electronic intelligent sunshading system installed in the space between the two layers of glass. As the air from ventilation system circulates through the space between the two layers of glass, air quality inside the buildings is not affected. The electronic intelligent sunshading system will automatically adjust the angle of the sunshade according to external temperature and lighting. Thus, such curtain walls help to regulate indoor temperature and keep indoor air fresh.

(b) Intelligent Curtain Walls (智能幕牆)

Intelligent curtain walls can be regarded as an extension of the ventilation curtain walls. For instance, we use aluminium blinds sunshade system (鋁型材百葉遮陽系統) in our curtain wall design. The system is connected to an intelligent system which can automatically adjust the angle of the aluminum blinds according to the external lighting and thus helps to regulate the indoor temperature and lighting. It possesses aesthetic qualities and also helps to reduce energy loss by limiting the amount of heat entering the buildings.

Through our research and development efforts, we have successfully developed other products for application and use in our conventional curtain wall business, such as modular double-layer curtain wall (組件式雙層幕牆), detachable vacuum glass with electric blinds (可拆卸式電動內簾中空玻璃), compound assembled window frame connector (組合式組框連角器) and single-panel heat insulation materials (單橋隔熱型材). Details of these items are set out in the paragraph headed “Research and Development” of this section.

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We set out below a list of major curtain wall engineering projects that we had completed (in order of actual completion date of projects):

Name of project	Location	Approximate contract value (including all applicable PRC tax) <i>(RMB in millions)</i>	Nature of work undertaken	Commencement date of project	Actual completion date
(a) Public work					
Ningqi Railway Yangzhou Station Curtain Wall Project <i>(寧啓鐵路揚州站站房幕牆工程)</i>	Yangzhou, Jiangsu Province	12.4	External decoration, curtain wall engineering	18 October 2003	April 2004
Wuchang Railway Station Exterior Decoration Project <i>(武昌火車站站房外裝飾工程)</i>	Wuhan, Hubei Province	53.6	Glass curtain walls, aluminium panel decoration, glass canopy, roof top decoration rack, lightning system	5 June 2007	December 2007
Tianjin Railway Station Exterior Decoration Project <i>(天津火車站站外裝飾工程)</i>	Tianjin	19.7	External curtain walls blinds, aluminum alloy doors and windows, glass roof top steel structure molding rains shield canopy	5 October 2007	March 2008
Inner Mongolia University New District Phase 1 Aluminium Alloy Door and Window Project <i>(內蒙古大學新校區一期BT項目鋁合金門窗工程)</i>	Hohhot, Inner Mongolia Autonomous Region	11.4	Design of BT projects (activity centres and apartment), aluminium alloy doors and windows BT	1 October 2007	July 2008
Kunming City Government Administrative Office Building Construction Project – Curtain Wall Construction (2nd Phase) <i>(昆明市市級黨政機關辦公用房建設項目的建築幕牆施工(第二標段))</i>	Kunming, Yunnan Province	61.9	Glass, stone and aluminium panel curtain walls construction	15 October 2007	July 2008
Nujiang Jiangzhou Autonomous Prefecture Administration Centre Headquarters <i>(怒江州州級行政中心建設指揮部)</i>	Nujiang, Yunnan Province	26.4	External hidden frame glass curtain wall, point-supported glass curtain wall and others	1 February 2008	July 2008
Nanjing University of Information Science & Technology Laboratory Centre Curtain Wall Project <i>(南京信息工程大學實驗中心幕牆工程)</i>	Nanjing, Jiangsu Province	19.7	Curtain Walls with design	1 April 2008	July 2008
Hohhot Urban Construction Building Exterior Decoration Curtain Wall Project <i>(呼和浩特市城建大廈室外裝修幕牆工程)</i>	Hohhot, Inner Mongolia Autonomous Region	17.5	Glass, stone curtain walls	26 April 2007	September 2008

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Name of project	Location	Approximate contract value (including all applicable PRC tax) (RMB in millions)	Nature of work undertaken	Commencement date of project	Actual completion date
Xi'an City Administration Centre Curtain Wall Engineering Project (Phase III and IV) (西安市行政中心建設項目幕牆工程(標段III、IV))	Xi'an, Shaanxi Province	16.4	Granite curtain walls, glass curtain walls, aluminium panel curtain walls, aluminium alloy doors and windows	5 September 2008	November 2008
Kunshan Railway Station Reconstruction Curtain Wall Project (昆山火車站站房改造幕牆工程)	Kunshan, Jiangsu Province	16.4	Design and construction of curtain wall	5 September 2008	December 2008
(b) Commercial and industrial buildings					
Jiugang Exchange Centre Chengxin Square (酒鋼交易中心誠信廣場)	Jiuquan, Gansu Province	32.9	External decorative curtain walls, outdoor terrace and planting, interior decoration, fire safety lights, emergency lighting system, elevator decorations	15 March 2002	January 2004
Huoju Entrepreneur Garden Curtain Wall Project (火炬創業園幕牆工程) (now known as Xi'an Entrepreneur Square (西安高新創業廣場))	Xian, Shaanxi Province	10.3	Glass and Aluminium panel curtain walls, glass rain shield canopy, D District steel structure and roof top, point-supported curtain wall	10 March 2003	January 2004
Sun Palace Building Windows and curtain walls supply and installation First Phase Project (太陽宮項目第一期樓外窗及幕牆供貨及安裝工程)	Beijing	30.8	aluminium alloy windows and curtain walls and others	1 January 2007	July 2007
Yuanyang Guanghua International Block C and D Main Body Curtain Wall Project (遠洋光華國際C、D座主體部位幕牆工程)	Beijing	53.9	all curtain walls of the main building, roof top and the suspension part of the Block C and D	11 June 2006	September 2007
Jiugang Staff Cultural Activity Centre (酒鋼職工文化活動中心)	Jiuquan, Gansu Province	61.7	aluminium plastic panel curtain walls, point-supported glass curtain walls, stone back-knotted curtain walls, steel structure projects	1 February 2007	November 2007
Guanyinshan International Commercial Operation Centre A1 Block Curtain Wall Project (觀音山國際商務營運中心啓動區A1地塊幕牆工程)	Xiamen, Fujian Province	75.6	Curtain wall installation	12 November 2007	August 2008
Zhongshan Sheraton Hotel Curtain Wall Project (中山喜來登酒店幕牆工程)	Zhong Shan, Guangdong Province	15.6	Curtain wall installation	1 March 2008	September 2008

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Name of project	Location	Approximate contract value (including all applicable PRC tax) (RMB in millions)	Nature of work undertaken	Commencement date of project	Actual completion date
Kailin International Building Exterior Decoration Project 楷林國際大廈外立面裝修工程	Zhengzhou, Henan Province	22.9	Curtain walls, window installation, decoration of surface of wall pillar, including fencing of overhead garden	15 November 2007	October 2008
Guiyang Jinma Mansion (貴陽金馬大廈)	Guiyang, Guizhou Province	28.5	Design and construction of curtain wall	20 March 2008	November 2008
Foshan City Sanshui Square Phase II Glass Curtain Wall, Steel Structure, Curtain Shield Canopy Doors Engineering Project (佛山市區三水廣場二期玻璃幕牆、鋼結構、雨篷、裙樓大門工程)	Foshan, Guangdong Province	5.0	Installation of glass curtain wall, steel structure, curtain shield canopy doors	10 October 2008	November 2008
(c) High-end Residential buildings					
Beijing City Jianhua Garden Commercial and Apartments (北京市建華花園商業及公寓)	Beijing	26.8	Curtain walls, aluminium alloy windows and steel structure projects	16 July 2003	March 2004
Kunlun Service Apartments Outer Wall Construction Project (昆侖公寓項目建築外牆工程)	Beijing	43.5	Unitized Double-layer ventilation system glass curtain walls and aluminium panel curtain walls component-type Hidden-frame supported glass curtain wall	25 February 2005	December 2006
Macau Block "KL", Urbano da Areia Preta Project (澳門黑沙環"KL"地塊工程)	Macau	MOP1.3 million	Aluminium alloy glass doors and windows	28 January 2008	November 2008

As at the Latest Practicable Date, we have the following curtain wall engineering projects under progress (in order of contractual completion date):

Name of project	Location	Commencement date of project	Contractual completion date	Original contract value (RMB in millions)	Nature of work undertaken	Approximate progress payments received and receivable as at 31 October 2008 (RMB in millions)
(a) Public work						
Beijing Chungping No. 2 Street Cinema and Commercial Curtain Wall and Windows Project (北京昌平二街影院及商業項目幕牆及門窗工程)	Beijing	20 January 2008	December 2008*	14.6	Curtain Walls with design	4.9

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Name of project	Location	Commencement date of project	Contractual completion date	Original contract value	Nature of work undertaken	Approximate progress payments received and receivable as at 31 October 2008
				(RMB in millions)		(RMB in millions)
Luogang District 110 Social United Action Command Centre Project (羅崗區110社會聯動指揮中心幕牆工程)	Guangzhou, Guangdong Province	6 April 2008	December 2008*	20.0	Curtain wall design, glass curtain walls, stone curtain walls, aluminium alloy doors and windows, rain shield canopy projects	13.7
Affiliated Service Office of the Government Offices Administration of Liaoning Province People's Government (遼寧省人民政府機關事務管理局附屬服務用房外牆裝飾工程施工)	Shenyang, Liaoning Province	18 August 2008	November 2008*	6.2	Design and construction of curtain wall	3.5
Ganzhou Museum Curtain Wall Engineering Project (贛州博物館)	Ganzhou, Jiangxi Province	1 October 2008	December 2008*	17.0	Design and construction of curtain walls	9.5
Jiangxi Telecommunication Communication Control Production Building Curtain Wall Project (江西電信通信指揮調度中心生產樓幕牆工程)	Nanchang, Jiangxi Province	16 January 2008	120 days from the date of written notice given by the client* (December 2008)	21.7	Design and construction of curtain walls	14.6
Chongqing Medical University No. 3 Affiliated Hospital Laboratory Building Curtain Wall Engineering Project (重慶醫科大學附屬第三醫院試驗大樓)	Chongqing	15 October 2008	January 2009*	16.4	External wall decoration work	2.1
Zhengzhou West Railway Station Exterior Decoration Curtain Wall Engineering Project (鄭州西車站站房外裝飾幕牆工程)	Zhengzhou, Henan Province	1 September 2008	March 2009	29.0	Design and construction of curtain wall	8.4
Wuchang Railway Station expansion Anti-ceiling and Curtain Wall Engineering Project (武昌車站改擴建站房工程(反吊頂/幕牆))	Wuchang, Hubei Province	1 November 2008	March 2009	26.0	Design and construction of curtain wall	Nil
Hankou New Railway Station Exterior Decoration Curtain Wall Project (漢口火車站新站房外裝飾幕牆工程)	Wuhan, Hubei Province	21 September 2008	April 2009	41.0	Glass curtain walls, aluminium panel curtain walls, point-supported glass and automatic doors	8.2
Logistics Engineering College of People's Liberation Army New Campus Exterior Curtain Wall Engineering Project (解放軍後勤工程學院新校區外裝飾幕牆工程)	Chongqing	9 October 2008	190 days from the date of entering the contract (April 2009)	24.0	Design and construction of curtain wall	3.8
Daqing People's Government New Office Building Exterior Decoration Curtain Wall Project (大慶人民政府新辦公樓外裝飾幕牆工程)	Daqing, Heilongjiang Province	10 November 2008	April 2009	30	External wall engineering work	Nil

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Name of project	Location	Commencement date of project	Contractual completion date	Original contract value <i>(RMB in millions)</i>	Nature of work undertaken	Approximate progress payments received and receivable as at 31 October 2008 <i>(RMB in millions)</i>
Beijing North Railway Station Exterior Decoration Curtain Wall Project (北京北站站房外裝飾幕牆工程)	Beijing	1 December 2008	April 2009	23.0	Gloss Curtain Walls aluminium panel curtain walls and pain-supported glass rain shield company	Nil
Baotou City Convention and Exhibition Centre Curtain Wall Engineering Project (包頭市會議展覽中心幕牆工程)	Baotou City, Inner Mongolia Autonomous Region	15 December 2008	May 2009	70.0	Stone Curtain Walls, aluminium panel and glass curtain walls	Nil
Fuzhou Railway Exterior Reconstruction Curtain Wall Project (福州火車站房外裝飾幕牆工程)	Fuzhou, Fujiang Province	15 November 2008	May 2009	30.0	External glass curtain walls aluminium panel curtain walls and stone curtain walls	Nil
Tongling East Railway Station Exterior Decoration Project (銅陵火車東站站房外裝飾工程)	Tongling, Anhui Province	November 2008	June 2009	20.0	External glass curtain walls, aluminum panel curtain walls, electric blinds and rain shield canopy	Nil
Ordos City National Grand Theatre Curtain Wall Engineering Project (鄂爾多斯民族大劇院)	Ordos, Inner Mongolia Autonomous Region	1 October 2008	July 2009	58.0	Design and construction of curtain wall	3.5
(b) Commercial and industrial buildings						
Chaohu City Media Centre Exterior Decoration Engineering Project (巢湖市傳媒中心外牆裝飾工程)	Chaohu, Anhui Province	1 October 2008	February 2009	14.1	External wall decoration work	3.0
Tianjin Tianbao Mansion Exterior Decoration Project (天津天寶大廈外裝飾裝修工程)	Tianjin	1 October 2008	March 2009	43.0	Glass curtain walls, granite curtain walls, aluminium alloy windows, automatic doors	8.6
Changzhou Kaina Commercial Square Exterior Decoration Curtain Wall Engineering Project (常州凱納商務廣場外裝飾幕牆工程)	Changzhou, Jiangsu Province	10 October 2008	May 2009	35.0	External wall engineering work	2.8
Tianjin Sunny Binhai Curtain Wall Engineering Project (天津陽光濱海幕牆工程)	Tianjin	1 November 2008	May 2009	32.0	Design and construction of curtain wall	Nil
Jinshi Tianhao Hotel a Tianhao Service Apartment Curtain Wall Engineering Project (金世天豪大酒店、天豪公寓幕牆工程)	Yueqing, Zhejiang Province	30 June 2008	May 2009	23.7	Design and construction of curtain wall	9.0

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Name of project	Location	Commencement date of project	Contractual completion date	Original contract value (RMB in millions)	Nature of work undertaken	Approximate progress payments received and receivable as at 31 October 2008
						(RMB in millions)
(c) High-end Residential buildings						
Macau Black "KL" Aluminium Alloy Doors and Windows Project 澳門黑沙環KL工程 鋁合金玻璃門窗分項工程	Macau	1 November 2008	April 2008	18	Aluminium alloy doors and windows	Nil

Note

- * Contractual completion date has lapsed but the project is still under progress. As advised by our PRC legal advisors, our Group has already obtained the relevant confirmation from the respective customers confirming that the lapse of the relevant completion date of the respective project is not caused by Zhuhai Singyes and the completion date of each such project has been postponed with the agreement of the relevant customers. As advised by our PRC legal advisors, Zhuhai Singyes will not be liable for breach of contract in respect of the lapse of the project completion dates pursuant to such confirmations and our Group will not be liable for any liquidated damages for these projects.

During the Track Record Period, the average duration of the curtain wall engineering projects undertaken by our Group is approximately 278 days, 220 days and 96 days for projects with contract sum of over RMB30,000,000, RMB10,000,000 to RMB30,000,000 and less than RMB10,000,000 respectively.

As at the Latest Practicable Date, we have entered into contracts with respect to curtain wall engineering projects (in order of contractual completion date) which include the following:

Name of project	Location	Commencement date of project	Contractual completion date	Original contract value (RMB in millions)	Nature of work undertaken
Hengyang Chongye Commercial Plaza (衡陽崇業商業廣場)	Hengyang, Hunan Province	To be confirmed	Phase I and Phase III: 100 days from the date of written notice given by the client Phase II: 60 days from the date of written notice given by the client	19.6	Granite curtain walls, semi-hidden frame glass curtain walls, aluminium alloy windows and doors, 4mm aluminium panel and steel structure, aluminium alloy decorative surface rain shield canopy, steel structure point-supported glass canopy
A1 Naboodah Showroom/Offices and workshops (A1 Naboodah 展廳/辦公樓和工場)	Abu Dhabi, United Arab Emirates	30 March 2009	Not stated in the contract but we expect that the project will be completed by June 2009	12.6	Supply and fabrication of aluminum cladding system, aluminum section screen system, glazing and aluminum louver walls, windows and doors

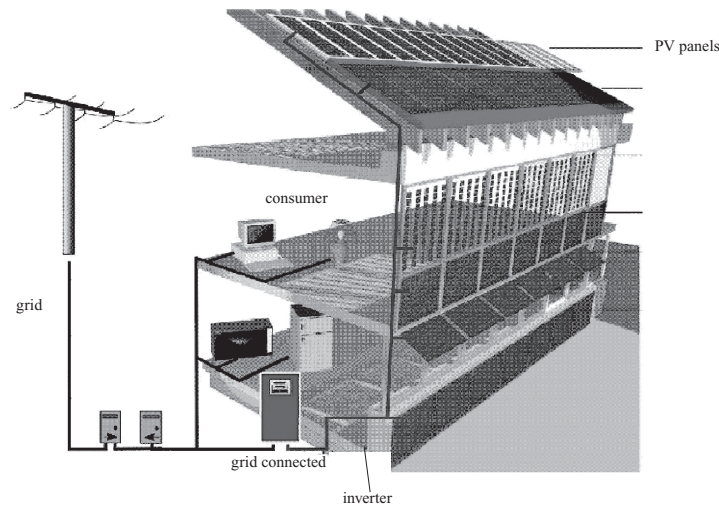
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Building Integrated Photovoltaic (BIPV) is one of the fastest growing segments of the photovoltaic industry, which involves the integration of photovoltaic technology into the architectural design of buildings and structures. BIPV can be applied in areas such as building facade, sky light, PV roof and canopy. We have been operating our BIPV business in the PRC since the beginning of 2007.

BIPV systems have various advantages over conventional curtain walls. BIPV can generate electricity as it involves the direct integration of PV panels into the buildings or structures to provide a source of electricity for the buildings or structures. As a part of the structure, PV panels are not easily prone to leakage, deformation or collapse in the structure. The PV panels we used also have thermal insulation that can save energy.

PV panels are an integral part of our BIPV systems and solar-power products. There are two kinds of PV panels, namely crystalline silicon PV panels and thin-film PV panels. We mainly use thin-film amorphous-silicon (“a-Si”) PV panels and thin-film CIGS PV panels for our BIPV systems. Thin-film PV panels have a number of advantages over crystalline silicon PV panels. Thin-film PV panels are less expensive and have lower manufacturing cost than crystalline silicon PV panels as they use little or no silicon. The performance of thin-film PV panels is better than crystalline silicon PV panels at low light intensity as they can absorb a wide scope of the light spectrum and can generate electricity at low light level. Thin-film PV panels have steady output even with high temperature. Further, thin-film PV panels have higher light transmission level than crystalline silicon PV panels and can be produced in several colours, they can hence be produced in different appearances and designs that can combine well with the exterior surface of the building.

An example of a BIPV system is illustrated as follows:



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A BIPV system is usually made up of various component parts, including, PV panels and inverter.

PV panels:

PV panels convert sunlight into direct current electrical power.

Inverter:

Inverter can be divided into independent inverter and on-grid inverter. Through an independent inverter, the direct current electricity stored in the battery is converted into alternating current electricity, which can be used directly for electrical appliances. The on-grid inverter is directly connected to the thin-film PV panels. The inverter then converts the direct current electricity generated by the PV panels into alternating current electricity which is then connected to the grid and can be directly used for electrical appliances.

Similar to curtain wall materials such as glass, thin-film PV panels can be produced into non-transparent and semi-transparent component parts and used as construction materials for curtain walls, roof top, canopy and sunshade blinds.

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We have completed a number of BIPV projects since 2007, details of which are set out below (in order of actual completion date of projects):

Name of project	Location	Approximate contract value (including all applicable PRC tax) <i>(RMB in millions)</i>	Nature of work undertaken	Actual completion date
(a) Public work				
Curtain Wall Project of National Olympic Sports Center Stadium (國家奧林匹克體育中心體育場幕牆工程)	Beijing	9.3	BIPV system, sun shade system, aluminium alloy doors and windows, glass curtain walls, sunshade aluminium blinds, metal panel exterior wall surface	October 2007
Green Corridor of Yuehai Park of Weihai City (威海市悅海公園綠色長廊)	Weihai, Shandong Province	0.6	7.5KW BIPV system comprising an area of 150 sq.m.	October 2007
Jiaoji Railway Qingdao Station BIPV System Reformation Project (膠濟鐵路青島客站改造光伏發電系統工程)	Qingdao, Shandong Province	25.7	Materials and equipments Procurement and installation design, construction and detection in connection with BIPV system	June 2008
(b) Commercial and industrial buildings				
No. 98 Qingdao Road, Weihai City Office Building BIPV Project, Weihai Tian An Real Estate Office Building (威海市青島路98號辦公樓光伏建築一體化改造工程設計施工) (威海天安房地產辦公樓)	Weihai, Shandong Province	18.7	Design, fabrication, material supply and installation of BIPV system	December 2007
Guanyinshan International Commercial Operation Centre A1 Block Curtain Wall Project (觀音山國際商務營運中心啓動區A1地塊幕牆工程)	Xiamen, Fujian Province	N/A <i>(Note)</i>	Skylight BIPV system	August 2008

Note: The skylight BIPV system formed part of the curtain wall engineering project and did not have a separate contract value. The original value of the whole project was RMB78.0 million. Our Group was the main contractor for such curtain wall engineering project.

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As at the Latest Practicable Date, some of our BIPV projects under progress are as follows (in order of contractual completion date):

Name of project	Location	Commencement date of project	Contractual completion date	Original contract value (RMB in millions)	Nature of work undertaken	Approximate progress payments received and receivable as at 31 October 2008 (RMB in millions)
Ganzhou Museum (贛州博物館)	Ganzhou, Jiangxi Province	1 July 2008	30 November 2008	15.0	BIPV design and installation	11.9
Hohhot Railway Station BIPV project (呼和浩特火車站 – BIPV工程)	Hohhot, Inner Mongolia Autonomous Region	1 September 2008	15 March 2009	27.0	BIPV design and installation	8.1
Zhuhai Dawanshan Island Project (珠海大萬山島工程)	Zhuhai Dawanshan Island, Guangdong Province	1 September 2008	30 March 2009	16.0	BIPV design and installation	3.4
Baotou City Convention and Exhibition Centre (包頭市會議展覽中心)	Baotou, Inner Mongolia Autonomous Region	1 December 2008	30 April 2009	16.0	BIPV design and installation	Nil
Tongling East Railway Station Exterior Decoration Project (銅陵火車東站站房外裝飾工程)	Tongling, Anhui Province	1 October 2008	30 June 2009	10.0	Skylight BIPV system	3.3
Weihai Public Culture Center a-Si BIPV power generation system engineering project (威海市民文化中心非晶硅光伏發電系統工程施工)	Weihai, Shandong Province	1 October 2008	31 July 2009	79.0	BIPV design and installation	7.9
Ordos City National Grand Theatre (鄂爾多斯民族大劇院)	Ordos City, Inner Mongolia Autonomous Region	1 October 2008	31 July 2009	18.0	BIPV design and installation	3.8

Solar-power products

Our Group manufactures solar-power products by itself, which mainly includes the design of modules and systems, procurement of materials and components, assembly of modules, on-site installation of solar-power systems and system testing. The materials required for solar-power systems generally include electrical and mechanical components such as PV panels, batteries, inverters, glass and aluminium panels which are mainly procured from external suppliers. In general, our Group assembles these components into modules in its fabrication plant in Zhuhai, which are also shared for the fabrication of curtain wall and BIPV components. These modules are further installed into solar-power systems at the customers' site. In 2007, we did not experience any material fluctuation in the price of materials and components for solar-power products.

We began our research and development efforts in solar-power products since 2005. Our solar-power product business involves the design, fabrication and installation of solar-power products. We began our sale of solar home systems (戶用獨立電源系統) since 2007. During the Track Record Period, we have also developed a number of other products powered by solar energy, including solar lighting system (太陽能亮化系統), independent power station system (獨立電站系統) and solar water pumping system (光伏水泵), details of which are described as follows:

(i) *Solar Home System (戶用獨立電源系統)*

Solar home system involves the use of stand-alone electricity supply system powered by solar energy that supply electricity for household consumption including lighting, television, electric fan and electric cooker.

(ii) *Solar lighting system (太陽能亮化系統)*

Solar lighting system involves the use of lighting and decoration for buildings, parks and shops powered by solar energy.

(iii) *Independent Power Station System (獨立電站系統)*

Independent power station system uses solar energy as its energy source. The mechanism for its functioning is to charge the system with electricity during day time for use at night time. It can generate electricity independently and is not necessary to connect to an external power supply.

We entered into a cooperation agreement with Wan Shan Construction Bureau in 2007 to engage in a renewable energy project to develop Wan Shan Islands (萬山群島). With the assistance of Zhuhai Singyes in respect of its expertise in research and development, the parties engaged in a cooperation project to develop solar power resources on Wan Shan Islands with a view to solve the problem of costly and inadequate supply of electricity on the islands. The project involves the design, research and development, and installation of solar home system, independent power station system and solar lighting system with the aim to supply electricity for

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household consumption and lighting of the island. The total capital investment of the project is expected to be RMB10,000,000, which will be paid in two years mainly by the government of the district and town. The average investment for each household in respect of the installation of solar home system is RMB5,500. Pursuant to the cooperation agreement, Wan Shan Construction Bureau will be responsible for the promotion work of the development and use of renewable energy and to encourage residents of the islands to participate in the renewable energy project through installing solar home systems using the financial subsidy provided by the district and town government. Our roles and responsibilities under the cooperation agreement include project design, research and development of application of solar energy on the islands, coordinate with the Wan Shan Construction Bureau to carry out the promotion work and providing after-sales service of maintenance and rectification works.

(iv) Solar Water Pumping System (光伏水泵)

Solar water pumping system involves the use of water pumps powered by solar energy that supplies drinking water for household consumption and irrigation for agricultural use. Instead of being a grid-tied system, it can be a stand-alone system which has wider application in areas where it will be difficult and costly to lay grid lines.

For the year ended 31 December 2007 and the six months ended 30 June 2008, our solar-power products generate revenue of approximately RMB5.8 million and RMB3.1 million from the sale of solar home systems. There was no sale of solar power products for the six months ended 30 June 2007.

PERMITS AND APPROVALS

As advised by our PRC legal advisors, our Group has obtained all necessary licenses, certificates, permits and approvals from the relevant regulatory authorities for its business operations in the PRC.

As advised by our PRC legal advisors, pursuant to the currently applicable PRC laws and regulations, there is no restriction or regulation over the required scale, technology, personnel or other areas for enterprises engaging in BIPV and/or solar-power product businesses and there are no requirements for enterprises engaging in BIPV and solar-power product businesses to obtain any specific permits, approvals or qualification certificates. As such, our Group is not required by the PRC laws and regulations to obtain any specific permits, approvals or qualification certificates in respect of its BIPV and solar power-related businesses.

For details on the PRC laws and regulations applicable to our Group, please refer to the section headed “Regulatory Overview” of this prospectus.

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CERTIFICATIONS

The following certifications have been obtained by Zhuhai Singyes:

Certification	Description	Validity Period	Issuing Authority
Level 1 Contracting for Construction of Curtain Wall Projects (Certificate registration no.: B1044044040101-6/1) (建築幕牆工程專業承包一級)	<p>To undertake all types of curtain wall engineering projects in the PRC without restriction as to the contract value of the project which can be undertaken, the height of buildings or the surface area of the curtain wall.</p> <p>To become main contractors for curtain wall engineering projects.</p> <p>To provide project management service for curtain wall engineering projects.</p> <p>For this certification, there are three levels with Level 1 being the highest level.</p>	Issued on 15 April 2002 and continues to be valid <i>(Note 1)</i>	PRC Ministry of Construction (中國建設部)
Class A Project Design for Curtain Wall Projects (Certificate no.: 2223) (建築幕牆專項工程設計甲級)	<p>To carry out the design of all types of curtain walls in the PRC without restriction as to the contract value of the project which can be undertaken, the height of buildings or the surface area of the curtain wall.</p> <p>For this certification, there are two classes with Class A being the highest class.</p>	Issued on 16 August 2005 <i>(Note 1)</i>	PRC Ministry of Construction (中國建設部)
Level 1 Contracting for Metal Doors and Windows Projects (Certificate registration no.: B1044044040101-6/1) (金屬門窗工程專業承包壹級)	<p>To undertake the construction involving various types of metal doors and windows.</p> <p>For this certification, there are three levels with Level 1 being the highest level.</p>	Issued on 15 April 2002 <i>(Note 1)</i>	PRC Ministry of Construction (中國建設部)
Level 2 Contracting for Steel Structure Projects registration no.: B1044044040101-6/1 (鋼結構工程專業承包貳級)	<p>To undertake single steel structure projects with a contract value of not more than five times the registered capital of Zhuhai Singyes and a span of 33 m and less.</p> <p>For this certification, there are three levels with Level 2 being the second highest level.</p>	Issued on 24 April 2007 <i>(Note 1)</i>	Guangdong Province Construction Bureau (廣東省建設廳)
Level 3 Contracting for Construction of Renovation and Decoration Projects registration no.: B1044044040101-6/1 (建築裝修裝飾工程專業承包三級)	<p>To undertake projects involving interior and exterior renovation and decoration which do not exceed a contract value of RMB600,000</p> <p>For this certification, there are three levels with Level 3 being the lowest level.</p>	Issued on 9 April 2003 <i>(Note 1)</i>	Zhuhai City Construction Bureau (珠海市建設局)

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Certification	Description	Validity Period	Issuing Authority
ISO9001:2000 Certificate of Conformity of Quality Management System Certification (Registration no.: 04006Q12707ROM) (質量管理體系認證證書)	In respect of (i) the design, production and construction of curtain walls; and (ii) the production and construction of aluminium alloy doors and windows	20 June 2006 – 19 June 2009	CICC Conformity Assessment Services Co. Ltd. (中國檢驗認證集團質量認證有限公司)
GB/T28001-2001 Certificate of Conformity of Occupational Health and Safety Management System (Registration no.: 04006S10176ROM) (職業健康安全管理体系認證證書)	In respect of the occupational health and safety management activity established over (i) the design, production and construction of curtain walls; and (ii) the production of aluminium alloy doors and windows	20 June 2006 – 19 June 2009	CICC Conformity Assessment Services Co. Ltd. (中國檢驗認證集團質量認證有限公司)
ISO14001:2004 GB/T24001-2004 Certificate of Conformity of Environmental Management System (Registration no.: 04006E10354ROM) (環境管理體系認證證書)	In respect of (i) the design, production and construction of curtain walls; and (ii) the production and construction of aluminium alloy doors and windows and the related environmental management authorities.	4 August 2008 – 3 August 2011	CICC Conformity Assessment Services Co. Ltd. (中國檢驗認證集團質量認證有限公司)
National Industrial Product Production Permit (全國工業產品生產許可證) (Registration No: 粵 XK21-201-00036)	In respect of the aluminium alloy door products	20 October 2008 – 19 October 2013	Administration of Quality Supervision, Inspection and Quarantine of Guangdong province (廣東省國家質量監督檢驗檢疫局)
National Industrial Product Production Permit (全國工業產品生產許可證) (Registration No: XK21-205-00002)	In respect of the modular curtain walls, full glass curtain walls and point-supported curtain walls	Issued on 22 October 2004 and continue to be valid (Note 2)	General Administration of Quality Supervision, Inspection and Quarantine of the P.R.C. (國家質量監督檢驗檢疫總局)
Safety Production Permit(安全生產許可證) (Registration No: [Yue] JZ An Xu Zheng Zi [2008] 03018 Yan)	In respect of the construction activities	28 February 2008 – 28 February 2011	Guangdong Construction Bureau (廣東省建設廳)

Note 1: As advised by our PRC legal advisors, the relevant qualification certificates of our Group are valid with no specified validity period under the then applicable PRC regulations at the time these qualification certificates were granted. As further advised by our PRC legal advisors, the applicable law for the PRC construction industry, which was amended in December 2007, stipulates a five-year validity for all of our Group's qualification certificates and our Group is still waiting for further instruction and update from the relevant PRC authorities regarding the execution of such new law.

Note 2: As advised by our PRC legal advisors, the relevant approval procedures had been cancelled by the relevant PRC authorities but the existing permit will continue to be valid.

Our Directors confirm that the certifications above remain valid as at the Latest Practicable Date and they are not aware of any reason which would cause or lead to revocation or non-renewal of any of the above certifications.

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AWARDS

The following table sets out the awards that were granted to the construction projects in respect of curtain wall engineering or BIPV that we participated in:

No.	Award	Awarding Party	Date of Award	Description
1.	China Construction Luban Award (State Quality Project) (中國建築工程魯班獎) (國家優質工程))	PRC Ministry of Construction (中國建設部) China Construction Industry Association (中國建築業協會)	December 1998	One of the most prestigious awards in the PRC building and construction industry in respect of Guiyang Longdongbao Airport Terminal Building Project (貴陽龍洞堡機場航站樓). This award is given annually to the main contractors whose construction projects are of outstanding quality.
2.	Jiangxi Province Quality Project Award (江西省省級優良工程獎)	Jiangxi Province Construction Bureau (江西省建設廳)	March 2000	In respect of the Nanchang Changbei Airport Waiting Lounge Project (南昌昌北機場候機樓)
3.	China Civil Engineering (Zhan Tianyou) Award (中國土木工程(詹天佑)大獎)	China Civil Engineering Society (中國土木工程學會) China Science and Technology Development Fund (中國科學技術發展基金會) Zhan Tianyou Civil Engineering Science and Technology Development Fund (詹天佑土木工程科技發展基金)	May 2000	In respect of the No. 4 hangar of Beijing Airplane Maintenance Project Co. Ltd (北京飛機維修工程有限公司四機位機庫). This prestigious award is awarded bi-annually mainly for transport infrastructure-related projects to the main contractors in recognition of high quality, creative designs and innovative use of materials and installation techniques for the projects.
4.	Anhui Province Construction Project "Huangshan Cup" (Provincial Award for Quality Project) (安徽省建設工程「黃山杯」獎 (省優質工程))	Anhui Province Construction Bureau (安徽省建設廳)	January 2002	In respect of the Hefei City Land Bureau Multi-purpose Building Project (合肥市土地局綜合樓)
5.	2001-2002 Provincial Quality Construction Project (2001-2002年省優質施工工程)	Guizhou Province Construction Bureau (貴州省建設廳)	January 2003	In respect of the Multi-Purpose Building of the Guizhou Power Construction No. 1 Co. Ltd. Project (貴州電力建設一公司綜合樓)
6.	2002-2003 Provincial Quality Construction Project (2002-2003) (年省優質施工工程)	Guizhou Province Construction Bureau (貴州省建設廳)	January 2004	In respect of the Guizhou Provincial Meteorological Bureau Intergrated Training Building Project (貴州省氣象局綜合培訓樓工程)
7.	2004 Zhejiang Province Construction Project Qianjiang Cup Award (Quality Project) (2004年度浙江省建設工程錢江杯獎(優質工程))	Zhejiang Province Construction Industry Association (浙江省建築業行業協會) Zhejiang Province Project Construction Quality Control Association (浙江省工程建設質量管理協會)	September 2004	In respect of the Multi-Purpose Office Building of Jiaxing Cigarette Co. Ltd Project (嘉興市煙草公司辦公綜合樓工程)

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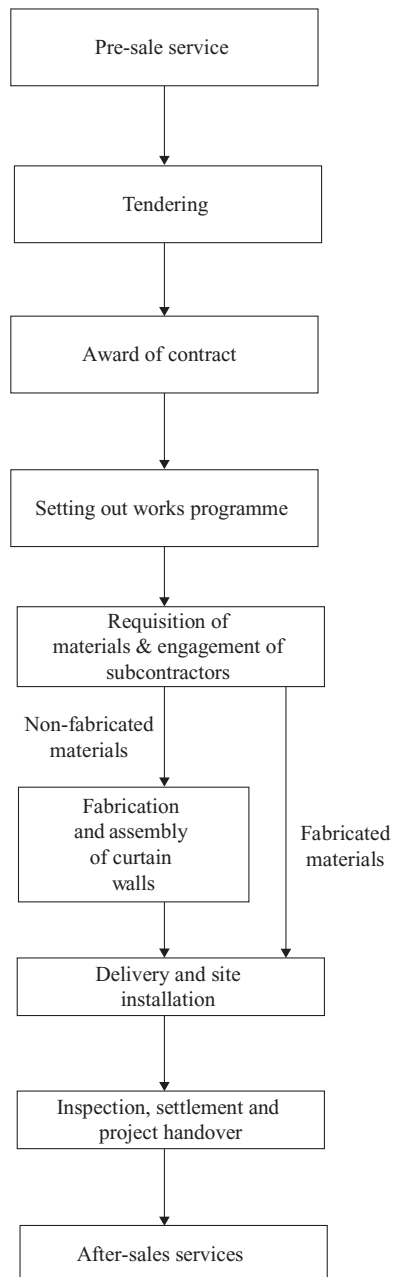
No.	Award	Awarding Party	Date of Award	Description
8.	2004 Shandong Province Construction Project Quality Taishan Award) (Provincial Awards for Quality Project) (2004年度山東省建築工程質量泰山杯獎(省優質工程))	Shandong Province Construction Bureau (年度山東省建築工程) Shandong Province Construction Administration Office (山東省建築工程管理局) Shandong Construction Industry Federation (山東省建築業聯合會)	December 2004	In respect of Shandong University at Weihai Main Building Project (山東大學威海分校主教學樓工程)
9.	2005 Jiangsu Province Construction Project Yangzi Cup Award (2005年度江蘇省拍子杯優質工程獎)	Jiangsu Province Construction Bureau (江蘇省建設廳) Jiangsu Province Construction Administration Office (江蘇省建築工程管理局) Jiangsu Province Construction Industry Association (江蘇省建築行業協會)	December 2005	In respect of Ningqi Railway Yangzhou Station Project (寧啟鐵路揚州火車站工程)
10.	China Construction Luban Award (State Quality Project) (中國建築工程魯班獎(國家優質工程))	PRC Ministry of Construction (中國建設部) China Construction Industry Association (中國建築業協會)	January 2006	In respect of Xi'an Huoju Entrepreneur Garden (西安火炬創業園) (now known as Xi'an Entrepreneur Square (西安高新創業廣場))
11.	Quality and Honest Award (優質誠信獎)	China Quality Credibility Supervision Administration Association (中國質量信譽監督管理協會)	January 2006	In respect of Shenzhen Guizhou Building Project (深圳貴州大廈項目)
12.	Quality and Honest Award (優質誠信獎)	China Quality Credibility Supervision Association (中國質量信譽監督管理協會)	April 2006	In respect of Beijing Kunlun Service Apartment Project (北京昆侖酒店式公寓項目)
13.	China Construction Luban Award (State Quality Project) (中國建築工程魯班獎(國家優質工程))	PRC Ministry of Construction (中國建設部) China Construction Industry Association (中國建築業協會)	December 2006	In respect of Ningqi Railway Yangzhou Station Project (寧啟鐵路揚州火車站工程)
14.	China Construction Luban Award (State Quality Project) (中國建築工程魯班獎(國家優質工程))	PRC Ministry of Construction (中國建設部) China Construction Industry Association (中國建築業協會)	January 2007	In respect of Zunyi Power Supply Bureau Integrated Business Building Project (遵義供電局綜合業務樓工程)
15.	Certificate of Science and Technological Achievement (科學技術成果鑒定證書)	Guangdong Province Science and Technology Bureau (廣東省科學技術廳)	November 2007	In respect of our BIPV system. The certificate was granted to us after the certification committee considered various factors relating to our BIPV system including the technology involved, system specifications, system quality, customer evaluation, economic and social benefits, testing result, production process and the result of novelty assessment.

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OPERATION PROCESS – CONVENTIONAL CURTAIN WALL BUSINESS

Our operational procedures principally involve the provision of pre-sale service, tendering, award of contracts and other procedures relating to the implementation of the projects. We have developed a comprehensive project management system covering the entire construction process from the award of construction contracts, including tender preparation to project planning, contract management, project control and project completion and handover.

The flow of our operation procedures is illustrated below:



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Pre-sale service

With our proven track record, good reputation and wide spectrum of experiences in the curtain wall engineering business, we have established an extensive marketing network and have maintained good relationships with our customers. We source potential projects through our sales and marketing department, branches and sales representatives by primarily two means, open tenders and tenders by invitation.

Our sales representatives gather information regarding the upcoming projects and business development plans of our customers. Such potential project information will be kept in a database, which will be reviewed and updated from time to time. Upon discovering any potential business opportunities, our sales engineers will contact the potential customers to acquire a better understanding of their requirements regarding some of their upcoming projects and plans. Prior to the submission of any tender, our tender team is responsible for reviewing the tender documents and drawings in order to evaluate the specifications, requirements, time schedule and our ability to perform within the specifications.

Tendering

Since we have considerable experience in conventional curtain wall business and have taken part in many tenders over the years, we have a good understanding of the requirements of our customers and can customize the tender submission documents to cater for their specific needs. We have PRC registered cost engineers who will assist in tender preparation in order to ensure that our tender proposal is competitive and profitable. Tender prices of projects will be determined on the basis of a number of factors, including design specifications, other requirements as set out in the tender documents, cost of materials, and tender price of similar projects previously undertaken by us or our competitors.

We will submit the tender proposal, including the technical specification plan and design drawings prepared by our design department and the final project budgets prepared by our tender department, upon our satisfaction of the worthiness to bid for a particular tender subsequent to our tender review process.

As advised by our PRC legal advisors, the tendering process of our projects has been conducted in accordance with the relevant PRC laws and regulations.

Award of contract

After further negotiating on commercial and technical terms, we will sign contracts with our customers. Most of the contracts awarded to us are at a fixed contract price and have to be completed in accordance with a specified time schedule. In general, these contracts include a penalty clause applicable in situations where the projects cannot be completed on time. A contract will set out the contract value, payment terms and warranty terms. The technical agreement will set out the discharge standards including the technical parameters, requirements and specifications. Our Group is entitled to claim damages from the customers in the event of breach of contracts by the customers.

Project management

Upon receiving a contract award, a project management team will be set up to coordinate with various departments, including the purchasing department, engineering department and quality management department to execute the projects. A project manager will also be assigned to oversee different aspects of the projects including material procurement, performance of subcontractors and coordination with the customers, subcontractors and suppliers, safety and quality control as well as daily on-site supervision and coordination of the operation and work progress. Internal guidelines and regulations in respect of the responsibilities of project manager, project management and execution procedures in general will also be devised.

Design management

After successfully securing a project, our design team proceeds to modify the preliminary design into its final form for production.

Procurement of materials

The purchasing department will purchase the requisite materials as and when they are required in accordance with the different stages of the project. We generally procure glass, aluminum panels, granite panels and steel panels for our conventional curtain wall business and PV panels, batteries and inverters for our BIPV and solar-power product businesses. It is our Group's policy to maintain minimal inventories such that we often require our suppliers to deliver the raw materials directly to the work sites if no fabrication or processing is required. For materials which require to be processed at our fabrication plant in Zhuhai, we generally maintain a short processing period of about a week in accordance with our minimal-inventory policy. The fabricated materials will then be delivered to the work sites. During the Track Record Period, our Group has not experienced any difficulty in the procurement of raw materials.

Subcontracting

We also engage subcontractors where necessary to undertake the more labour-intensive process of installation of curtain walls and outsource certain of our fabrication (including the supply of materials) processes to subcontractors by entering into separate contracts with our subcontractors. Details of our subcontractors are set out in the paragraph headed "Subcontractors" of this section of this prospectus.

Fabrication of curtain wall components

Once the requisite materials have been procured, the fabrication process will be handled by our engineering department. We carry out the fabrication of some of the materials such as the assembly of aluminium components and the moulding/shaping of materials at our own fabrication plant in Zhuhai. For materials which are simpler to fabricate, such as panels (glass panels, aluminium panels and granite panels), or that it would be more cost-effective for our suppliers to fabricate, our suppliers would fabricate

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them in accordance with our design specifications and deliver them directly to the work site. Whilst most of the fabrication is carried out at our own fabrication plant, we also carry out fabrication of simple structural components on-site.

Delivery and on-site installation

In respect of the curtain wall components which have been fabricated and assembled by us at our fabrication plant, we will engage third-party transportation companies to deliver them to the work sites for installation. The third-party transportation companies are responsible for ensuring minimal damage to our products during the course of delivery to the work sites. In other cases where our suppliers undertake the fabrication of materials, they are usually responsible for delivering the fabricated products to the work sites.

Inspection, settlement and project handover

Upon completion of a certain portion of the curtain wall engineering projects, we, the customers and the professional advisors appointed by the customers, will carry out necessary periodic inspections in respect of the quality of works and work progress, based on which we shall receive progress payment. Upon completion of the whole project, we will carry out inspection of the completed works. Our customers together with their professional advisors will conduct final inspection of the quality of the completed works. Adjustments to the contract price, if necessary, will be made. Once our customer completes inspection and confirms that the curtain walls comply with the contract specifications, we will handover the project to our customer.

Our project contract with our customers usually contains a provision for retention monies, which is usually 3% to 5% of the total contract value of the project. Such sums would be paid to us at the end of the warranty period, which is typically one to two years after the project handover, and would constitute the final payment for the project. No retention monies kept by the customers has been forfeited during the Track Record Period.

After-sales services

(i) Warranty Period

We provide a guaranteed maintenance period for all our projects which lasts for one to two years from the date of completion. We would normally require a back-to-back warranty period from our subcontractors. After the project handover, our sales and marketing department handles all quality complaints and feedback from our customers. All complaints will be investigated and any necessary measures, such as rectification works, will be taken as soon as practicable, so as to ensure customer satisfaction.

During the warranty period, we are liable to rectifying all defective works and we will provide maintenance services to our customers at costs so long as the defect or damage is not caused by our customers. After the warranty period, we will continue to provide maintenance services, at a fee, to our customers in accordance with their requirements.

During the Track Record Period, we have not incurred any significant warranty cost.

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(ii) Progress payment and retention money

We normally receive progress payments from our customers with reference to the value of the works finished. We will submit the works progress report to our customers. The works progress will then be verified and certified by our customers and the authorised persons engaged by our customers such as the architects, engineers and surveyors and payment will then be made by our customers to us. Normally it will take 30 to 150 days from the date we submit the works progress report to the date payment is made to us. Similarly, we usually pay our subcontractors on a monthly basis with reference to the value of the works done. The subcontractors will submit a request for payment to us stating the actual works done. We will then verify the progress of works and issue payment to the subcontractors. Normally 5% of the total subcontracting sum will be held as retention money by us. The retention money will be paid to the subcontractor upon the issue of certificate certifying that all the works have been completed.

(iii) Performance bonds/ performance guarantee deposits/ liquidated damages

We may be requested by our customers to provide performance bonds in the form of a guarantee or make performance guarantee deposits in cash in favour of the customers to ensure due performance on our part. During the Track Record Period, we are required to provide performance bonds or performance guarantee deposits for less than 5% of our projects. Our Directors confirm that the performance bonds or performance guarantee deposits in the range between 5% and 15% of the total contract value retained by customers are in line with the industry practice. The performance guarantee deposits amounted to approximately nil, RMB2.0 million, RMB2.9 million and RMB10.7 million as at 31 December 2005, 2006 and 2007 and as at 30 June 2008 respectively.

The amount of performance bonds or performance guarantee deposits would usually be in the range between 5% and 15% of the total contract value of the project. The performance bond will expire upon completion of the project. The performance guarantee deposits may be returned to us in one lump sum or by instalments at any time during the projects or after completion, depending on the terms of the construction contracts. A liquidated damages clause would usually be included in our work contracts regarding late completion of works.

Our Directors confirm that there have been incidents of project delay during the Track Record Period caused by reasons other than our own default and we were able to reach an agreement with our customers on another completion date. During the Track Record Period, we were not required to pay any liquidated damages for project delays as the delays were caused by reasons other than our own default.

OPERATING PROCESS – BIPV BUSINESS

The operation procedures of our BIPV business is generally similar to that of our conventional curtain wall business. Nevertheless, we have a specialized photovoltaic department for the design and project management for our BIPV engineering projects.

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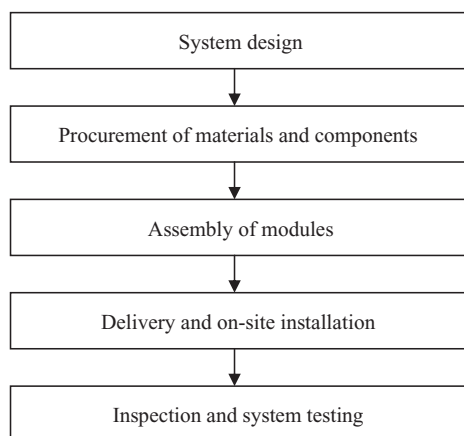
During the design stage, our photovoltaic department closely works with our client to understand its specific system requirements and our technical department is dedicated to ensuring the compatibility of the Photovoltaic system with the overall building requirements.

Upon the award of contract and on reaching consensus with our customers as regards the system design, we source materials including thin-film PV panels, aluminum panels, Low-E glass and tempered glass from our suppliers. The Group currently procures substantially all PV panels from Weihai China for its BIPV business. For the six months ended 30 June 2008, approximately 98.9% of our PV panels were supplied by Weihai China. These materials are processed at our Group's fabrication plant in Zhuhai, which are then delivered to the work site and installed into BIPV system by assembling thin-film PV panels together with its associated electricity supply and monitoring systems.

In relation to the inspection, settlement and project handover, the property developers, along with the then appointed professional advisors, are responsible for carrying out the necessary inspections on the BIPV system and ensuring the system's compliance with the contract specifications.

OPERATING PROCESS – SOLAR-POWER PRODUCT BUSINESS

The flow of the operation procedures for our solar-power product business is illustrated below:



Upon confirmation of engagement by our customer, our design department will liaise with our customer to understand its specific requirements and specifications for our solar-power system. Our design department will revise the system design in respect of, among others, electricity circuit, power efficiency and installation supporting rack until our customer is fully satisfied.

The agreed design between our customers and our design department will then be passed to our technical department and our procurement department. The former will determine the quantities of specific materials and components required whereas the latter will procure the same from qualified suppliers. In general, we source materials including PV panels, batteries and inverters. In particular, we procure special components such as water

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pumps for our solar water pumping system and LEDs for our solar lighting system. Currently, we mainly purchase thin-film PV panels required for our solar-power products from Weihai China.

Materials and components for our solar-power products are processed in accordance with the design specifications by means of cutting and moulding at our fabrication plant at Zhuhai, and are then assembled into modules. Quality inspection is conducted with reference to standards of ISO9001:2000 prior to delivery to our clients' sites. These modules are then delivered to our clients' sites for installation together with associated electrical equipment.

Upon completion of such system installation, we carry out inspection and system testing at our customers' sites to ensure proper installation and smooth operation of our solar-power system. Our customers, together with their professional advisors, conduct final inspection to ensure the quality of our solar-power system and its overall compliance with the contract specifications.

SALES AND MARKETING

Our sales and marketing department comprised 28 staff as at 30 June 2008. Our sales staff are responsible for sales, marketing and customer services. They also play an important role in providing support to our existing customers and meeting with prospective customers to assess and understand their requirements so that we can better cater to their needs. As and when required, we may second staff from other departments, such as the design and engineering departments, to assist our sales and marketing efforts.

Our sales and marketing strategies include:

(i) Enhancement of market presence in the PRC

We have sales representatives in 14 cities of the PRC, including Beijing, Shanghai, Xi'an, Hohhot, Wuhan, Kunming, Guiyang and Daqing. We have established two branches in Nanjing and Guangzhou. We plan to establish our presence in Shenzhen to introduce to our customers the application and technology of our BIPV systems and solar-power products. Our extensive geographical coverage of sales representatives and branches in the PRC provide us with a comprehensive and effective sales and marketing network in various parts of the PRC.

(ii) Establishment of overseas market presence

We plan to set up a sales office in Dubai in 2009. We intend to establish our presence in the overseas market and to introduce our BIPV systems and solar-power products to overseas customers.

(iii) Formation of strategic alliances and joint ventures

In order to increase our market presence, we will form strategic alliances and joint ventures with appropriate large-scale and reputable industry players. We believe that such alliances will enable us to tap into our business partners' customer base, market channels, resources, knowledge and experience in project management.

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On 31 March 2008, Zhuhai Singyes entered into a strategic cooperation agreement with the Transportation Committee of the Management Association of Railway Enterprise of the PRC (中國鐵道企業管理協會運輸委員會) (“Railway Enterprise Management Association”) to promote and introduce Zhuhai Singyes’ technology and products in respect of its BIPV systems and solar-power products in railway construction in the PRC and also to promote the application and use of such technology and products to railway stations in the more remote parts of the PRC and different areas of the railway industry. The Railway Enterprise Management Association is an association registered at the Ministry of Civil Affairs of the PRC. Its roles include liaising with various railway bureaus in the PRC with respect to improvements in management and safety management of railway transaction organizations. The association is under the direct guidance and management of the PRC government. Various committee members of the association are existing or former officials of the PRC Ministry of Railways and the various railway bureaus in the PRC. The association works closely with various railway bureaus to enhance and improve the management and safety of railway transportation and to introduce advanced technology in railway transportation.

Pursuant to such agreement, Zhuhai Singyes will make capital investment of RMB100,000 in the initial phase to set up the PRC Railway Industry Office which will promote Zhuhai Singyes’ products and technology and assist Zhuhai Singyes to secure projects. The Railway Enterprise Management Association oversees the day-to-day operation and management of the PRC Railway Industry Office and provides consultation and service under the agreement with respect to the technology and products of Zhuhai Singyes that it seeks to promote to the railway enterprises. For each project secured through the assistance of the Railway Industry Office, 3% of the contract value of such project will be contributed to the Railway Industry Office as its operation funds. Pursuant to the agreement, the Railway Industry Office will promote the advanced technology in respect of Zhuhai Singyes’ BIPV systems and solar power products and the associated economic benefits in their use and application. In order to source business opportunities, the Railway Industry Office will collect market information as regards any upcoming plans of new construction, expansion or renovation of railway stations. The Railway Office will also assist us in the negotiation of construction projects and the preparation of tenders. Both parties are entitled to terminate the agreement by giving one-month written notice to the other party and close down the Railway Industry Office.

(iv) Development and improvement of customer relationships

We believe that developing closer working relationships with our customers will enable us to gain a better understanding of our customers’ needs and maintain a stable customer base. We provide comprehensive after-sales support services. We make regular visits to our customers to gather feedback and to acquire a better understanding of their needs which will enable us to keep abreast with their changing requirements. We also keep our customers updated in respect of our latest business developments.

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(v) Participation in trade fairs and exhibition

In order to enhance our reputation in the PRC and create brand awareness in overseas markets, we have participated in and plan to participate in more trade fairs and exhibitions in the PRC and overseas. Such trade fairs and exhibitions provide us with a platform to collate relevant market information and trends and provide us with the opportunity to meet with potential customers. The trade fairs and exhibitions that we have participated in include the annual trade fair organized by the China Construction Metal Structures Association, the BIPV exhibition held in Milan in 2007 and the exhibition regarding the future energy source held in Abu Dhabi in 2008.

CUSTOMERS

Our Group may act as the main contractor or subcontractor for each of our four types of customers, namely governmental authorities, state-owned and private construction companies and property developers.

Our largest customer accounted for approximately 17.7%, 11.0%, 10.3% of our revenue for the years ended 31 December 2005, 2006 and 2007 respectively and our five largest customers together accounted for approximately 41.6%, 35.7%, 40.2% of our revenue for the years ended 31 December 2005, 2006 and 2007 respectively. Our largest customer accounted for approximately 13.3% and 15.7% of our revenue for the six months ended 30 June 2007 and 2008 respectively and our five largest customers together accounted for approximately 46.2% and 49.4% of our revenue for the six months ended 30 June 2007 and 2008 respectively.

None of our Directors (or any person who, to the knowledge of our Directors, owns more than 5% of our issued share capital or any of our subsidiaries or any of their respective associates) has any interest in our five largest customers during the Track Record Period. As at the Latest Practicable Date, our Directors are not aware that any of our Group's existing customers is in liquidation.

CREDIT MANAGEMENT

Our Group does not have a standardised and universal credit period granted to our customers. The credit period of individual customers is considered on a case-by-case basis and set out in the project contracts, as appropriate. In the event that the project contract does not specify the credit period, the usual practice of our Group is to allow a credit period of 30 to 150 days. We receive payments from our customers in the form of advance payment, progress payment and the return of retention money. For some of the projects, our customers may make an advance payment of 5% to 30% of the total contract value to us upon the commencement of the projects. Our customers usually retain 3% to 5% of the total contract value of the projects as retention money. The remaining balance will mainly be in the form of progress payment to be billed based on the progress of the project. For sale of curtain wall materials, a credit period ranging from three to six months may be granted to large customers. Revenues from small and new customers are normally expected to be settled shortly after the provision of services or delivery of goods without setting specific credit period. The provision for impairment of trade receivable is made when there is

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objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that our Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectibles. The impairment of trade and other receivables amounted to approximately RMB0.2 million, RMB0.1 million, RMB0.4 million respectively for the three years ended 31 December 2005, 2006, 2007. No impairment for trade and other receivables was made for each of the six months ended 30 June 2007 and 2008. During the Track Record Period, we did not encounter great difficulty in recovering the contract fees from our customers.

FABRICATION FACILITIES

We currently operate one fabrication plant located in Zhuhai of Guangdong Province in the PRC, primarily for the processing, fabrication and assembly of curtain wall components, BIPV components and solar-power modules. Our fabrication plant has a gross floor area of approximately 6,600 sq.m. and was staffed by 50 personnel as at 30 June 2008. In addition, it is equipped with advanced equipment such as the digital double-headed saw and the digital panel-shearing machine. The annual processing capacity of the fabrication plant in Zhuhai in respect of the fabrication and assembly of curtain wall components was approximately 7,250 tonnes for each of the three years ended 31 December 2007 and approximately 4,060 tonnes for the six months ended 30 June 2008. Based on such annual processing capacity, the utilization rate of the fabrication plant during the Track Record Period was approximately 54.2%, 58.9%, 79.6% and 85.3% respectively. The substantial increase in utilization rate from 2006 to 2007 was mainly due to the increase in our Group's business volume.

As at the Latest Practicable Date, we have completed the construction of a new plant with a gross floor area of approximately 2,761.44 sq.m. adjacent to our existing fabrication plant in Zhuhai. We have obtained the real estate title certificate for such new plant on 23 December 2008. The existing fabrication and assembly lines of curtain wall components, BIPV components and solar power modules will be relocated to the new plant in or around January 2009. We expect that there will be no material changes in the annual processing capacity and the utilization rate of the existing fabrication and assembly lines of curtain wall components after the relocation to the new plant. As at the Latest Practicable Date, we have purchased certain machinery and equipment for the advanced processing of BIPV components which is expected to commence operations in or around January 2009 at the existing plant. We expect that our annual fabrication capacity of BIPV components will increase from approximately 30,000 sq.m. to approximately 100,000 sq.m. upon the completion of installation of the new machinery and equipment.

Our solar-power products are produced on demand and do not involve mass production. We procure from external suppliers major parts and components which are assembled into modules at our fabrication plant in Zhuhai. For the assembly of modules, we operate one assembly line for each of solar-home system, independent power station system, solar water-pumping system and solar lighting system, which are equipped with various equipment and precision inspection tools.

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QUALITY CONTROL

One of the main factors that is vital for maintaining our reputation is the high quality and standard of our management system. Our ultimate objective is to pursue a higher standard of quality by delivering projects of good quality to our customers. We strive to ensure that our completed projects comply fully with the specifications of the contracts. We have formulated a set of guidelines in relation to quality control in order to closely supervise the implementation of the guidelines in all of our different departments.

We have established a quality management system in accordance with ISO9001:2000 Certificate of Conformity of Quality Management System Certificate (質量管理體系認證證書) issued by CICC Conformity Assessment Services Co. Ltd. (中國檢驗認證集團質量認證有限公司) in respect of (i) the design, production and construction of curtain walls; and (ii) the production and construction of aluminium alloy doors and windows.

We have an experienced quality assurance team to oversee and ensure that stringent quality control measures are in place at various stages of our operation process and carried out by the relevant department. Our quality assurance team which includes quality engineers, inspectors and on-site quality and safety controllers, is also responsible for making monthly assessments as to whether quality assurance targets have been met and our quality assurance team will prepare a quality assurance report in this regard.

Design management

Our quality assurance team carries out periodic checks on the design process to ensure that these internal quality control procedures are adhered to.

Requisition of materials & engagement of subcontractors

Our quality assurance team inspects all incoming materials to ensure that they are supplied from approved suppliers and that their quality complies with our internal quality standards and specifications. Materials that do not meet our quality standards and specifications will be rejected. The suppliers also have to provide us with copies of their production permits, product qualification certificates, product examination reports and quality assurance certificates as part of our internal quality control measures. Generally, our suppliers will guarantee the quality of the products supplied for a period of 10 to 20 years as stipulated in the quality assurance certificate. Our warehouse personnel will also inspect and verify the standard of the incoming materials in accordance with the packaging information.

Our quality assurance team will also regularly carry out inspections on the materials which have been stored in the warehouse to ensure that the materials are still in good condition and of the requisite quality.

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Subcontractors

Before deciding to engage a subcontractor, our engineering department will evaluate the subcontractor's level of technical expertise, track record and industry reputation. Our engineering department will also supervise the work carried out by our subcontractors to ensure that all quality standards as specified under the subcontracting contracts are met. Please refer to the paragraph headed "Subcontractors" of this section for further details in respect of our subcontractors.

Delivery and site installation

Upon delivery of the products or materials to the work site, our quality assurance personnel will carry out inspection to ensure that they comply with our internal quality standards and specifications.

We also ensure that the curtain walls or BIPV systems have been properly installed on-site in accordance with the relevant PRC industry standards by sending quality assurance engineers to the work sites from time to time to carry out random checks throughout the installation process.

Inspection, settlement and project handover

Upon completion of the installation of curtain walls or BIPV systems, our quality assurance team, together with our customer, will conduct a final round of tests and inspections to ascertain the overall quality of the completed project. Any complaints or feedback from our customers will be handled by our quality assurance team immediately. In addition, rectification works, if any, will be carried out immediately before the handover of the project to our customer.

After-sales services

We evaluate our tests and inspection procedures from time to time to determine whether they have been effective in ensuring that our curtain walls are of good quality. Upon the completion of every project, we will review and evaluate our work processes with a view to improvement. Where necessary, we will revise and improve our test and inspection procedures, work procedures and implement preventive measures to ensure that errors are not repeated in the future.

SUPPLIERS

The materials currently used in our business mainly consist of glass, aluminium profiles and panels, granite, steel and sealant. We mainly purchase our materials from suppliers in the PRC. The Group currently procures substantially all of the PV panels from Weihai China for both of its businesses of BIPV and solar-power products. For the six months ended 30 June 2008, approximately 98.9% of our PV panels were supplied by Weihai China. We intend to continue our existing practice of sourcing PV panels from Weihai China and other qualified suppliers in the PRC. We usually make our purchases at different stages of our projects, as and when we require the materials. The credit period

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granted by our suppliers and subcontractors is on a case-by-case basis. In the event that the credit period is not specified in the contract, the usual practice of our suppliers and subcontractors is to allow a credit period of 30 to 180 days and 30 days respectively. Our Group has not entered into any long-term purchase agreements with any suppliers. Our Group will take into consideration the anticipated increase in raw material costs when we estimate the project costs at the time we submit our tender for the projects. This can ensure that any increase in raw material costs will not materially affect the gross profit of our projects.

We usually approach three suppliers for quotation for the procurement of materials. The purchasing department could request our suppliers to supply us with (i) unfabricated materials whereby we conduct fabrication at our fabrication plant; or (ii) fabricated materials which are delivered directly to the work site. Materials arriving at our fabrication plant and the work sites are subject to quality assurance inspections.

We purchase our materials only from suppliers that satisfy our selection criteria. Our purchasing department will evaluate the suppliers based on stringent selection criteria such as their quality of materials and services, pricing, delivery time, credit terms, track record and reputation. In respect of new suppliers, we will usually order sample batches of materials and audit them prior to confirming the appointment of these suppliers.

None of our suppliers accounted for 5% or more of our total cost of sales during the Track Record Period. Our largest supplier accounted for approximately 3.8%, 4.1%, 4.2% and 3.4% of our cost of sales for the years ended 31 December 2005, 2006, 2007 and the six months ended 30 June 2008 respectively and our five largest suppliers together accounted for approximately 17.0%, 13.1% and 16.8% and 11.6% of our cost of sales in the respective period. Our five largest suppliers do not include subcontractors. For further details of the cost of sales attributable to the single largest and five largest subcontractors during the Track Record Period, please refer to paragraph headed "Subcontractors" in this section.

None of our Directors (or any person who, to the knowledge of our Directors, owns more than 5% of our issued share capital or any of our subsidiaries or any of their respective associates) has any interest in our five largest suppliers during the Track Record Period. As at the Latest Practicable Date, our Directors are not aware that any of our Group's existing suppliers is in liquidation.

SUBCONTRACTORS

We primarily act as the main contractor in curtain wall engineering and BIPV projects. Our role is to manage, oversee and closely supervise day-to-day operation and project execution. We engage or outsource to subcontractors installation works of curtain walls and BIPV systems by entering into subcontracting agreements with the subcontractors. Our engineers will provide training sessions to our subcontractors prior to the commencement of their works to ensure that they understand the requirements and design specifications of the projects. Our engineering department will also supervise the works carried out by our subcontractors throughout the project to ensure that all quality standards as specified under respective contracts are met. Depending on the terms of the subcontracting agreement, we

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may provide materials to our subcontractors or in some circumstances, our subcontractors may procure materials from parties designated by the owners or main contractors of the projects. Our subcontractors are mainly sole proprietorship, township enterprises and private enterprises with limited liability ranging from small to large sizes. During the Track Record Period, our Group incurred subcontracting costs of approximately RMB162.3 million, RMB251.3 million, RMB279.7 million and RMB215.3 million respectively, representing approximately 55.9%, 72.9%, 56.8% and 72.1% of our cost of sales respectively. To the best knowledge of our Directors, our subcontractors are Independent Third Parties. We expect that we will continue such subcontracting arrangements after Listing. We have three years or more of work relationship with each of our subcontractors.

We will also work closely and coordinate with the customers, suppliers and subcontractors in the execution and management of the construction projects.

In order to protect our interest and govern our rights, we enter into subcontracting contracts with our subcontractors and adopt various terms in our contracts with the subcontractors including the following:–

- adoption of progress payment with reference to the value of works done and the portion of the completed works;
- adoption of retention money ranging from 3% to 5% of the total subcontracting value;
- subcontractors' obligations to conduct works in compliance with the quality standard of works and safety control;
- obligations of the subcontractors to submit qualification standard certificates, certificates in respect of quality management and safety control upon entering into the subcontracting contracts with us;
- subcontractors' obligations to comply with our directions in respect of site management and supervision, non-compliance of which will entitle our Group to terminate the subcontracting contracts forthwith or the subcontractors will be required to pay damages of RMB100,000 for breach of contract;
- subcontractors' obligations to implement relevant safety control measures. Any personal injuries or property damages caused as a result of insufficient safety control measures implemented in the course of construction of projects or insufficient quality control measures, the subcontractors will have to bear the corresponding legal responsibility and responsible for any economic loss caused;
- subcontractors' obligations to provide a full set of quality verification documents in respect of raw materials, certificate for conformity with the standard of semi-fabricated materials and certificate for conformity of quality;
- obligations of subcontractors to take out "Group personal injury insurance" for all site workers engaged by the subcontractors;

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- our Group's entitlement to claim damages from the subcontractors in the event that the subcontractors are in breach the terms and conditions of the subcontracting agreements; and
- in the event that the subcontractors further subcontract the works under the subcontracting agreements entered into with our Group or that the subcontractors do not comply with our Group's directions in respect of site management and supervision, we are entitled to terminate the subcontracting agreements with the subcontractor pursuant to the termination clause of the subcontracting agreements.

We rely on certain criteria to select our subcontractors, including, but not limited to, the requirements of our contract, experience and technical expertise of subcontractors, quality of works of subcontractors, safety control and evaluation from our past cooperation experience with the subcontractors. We will refer to our internal record of the past performance of subcontractors which is reviewed and updated from time to time in selecting subcontractors. Before deciding to engage a subcontractor, our engineering department would evaluate the subcontractor's level of technical expertise, relevant certificates of qualification obtained by the subcontractor, its track record, industry reputation and its past records in respect of violation of applicable laws or regulations in respect of environment and safety.

Annual assessment will be conducted to evaluate the performance of the subcontractors regarding their workmanship, progress monitoring, safety and environmental control. Besides, in order to ensure that the subcontractors comply with all the applicable rules and regulations, daily site visits will be made by our project managers or site engineers. Furthermore, we will make regular site visits to ensure compliance regarding safety and environmental control. Our engineering department will also supervise the work carried out by our subcontractors to ensure that all quality standards are met.

During the Track Record Period, our largest subcontractor accounted for approximately 8.4%, 8.1%, 17.0% and 17.4% of our total cost of sales for the years ended 31 December 2005, 2006, 2007 and the six months ended 30 June 2008 respectively and our five largest subcontractors together accounted for 28.4%, 35.9%, 41.8% and 56.2% of the total cost of sales for the respective period.

None of our Directors (or any person who, to the knowledge of our Directors, owns more than 5% of our issued share capital or any of our subsidiaries or any of their respective associates) has any interest, direct or indirectly, in any of the five largest subcontractors during the Track Record Period.

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RESEARCH AND DEVELOPMENT

Our Directors believe that research and development is crucial in providing us with a competitive edge. As such, we are committed to and place great emphasis on research and development and in keeping abreast of the latest advancements in technology pertaining to the curtain wall and BIPV industries. During the Track Record Period, our Group incurred a total sum of approximately RMB7.3 million on research and development of BIPV systems, solar-power products, development of new curtain wall designs and installation techniques. As a result of our research and development efforts, we are able to commence our BIPV business and solar-power business in 2007. We are also the registered owner of six patents and we have been granted the approval for another three patents in the PRC. We have also made application for registration of another six patents in the PRC and as at the Latest Practicable Date, these applications are still being processed. As at 30 June 2008, we have 96 skillful and experienced engineers. Apart from their daily work as engineers, they are also involved in our research and development work.

Our research and development activities mainly focus on developing new curtain wall designs and installation techniques. Research efforts have also been devoted over the years to the development of the technology of BIPV systems and solar-power products.

Our research and development department

Currently, we have a research and development department. Our Chairman and executive Director, Mr. Liu Hongwei, has more than 21 years of experience in the glass manufacturing and curtain wall industry. Mr. Liu is also a certified senior engineer in respect of construction materials and is currently an adjunct professor at the Wuhan University of Technology (武漢理工大學), formerly known as Wuhan Industrial University (武漢工業大學). As and when required, we may second staff from other departments, such as the design and fabrication departments, to assist in the research and development activities. In addition, we engage the services of Wuhan University of Technology and Zhongshan University, to assist us in our research and development activities. In February 2008, we entered into an agreement with Wuhan University of Technology to engage the service of Wuhan University of Technology to provide training to the staff of our Group. The term of the agreement will be valid for five years. Pursuant to the agreement, we will make payment in the sum of RMB200,000 each year during the term of the agreement to Wuhan University of Technology. Wuhan University of Technology will in turn provide training in the form of information update of the industry to our staff every two months. Wuhan University of Technology will also gather the most updated technical and market information in the glass industry and provide a quarterly update to our Group.

Pursuant to the cooperation framework agreement with Zhongshan University dated 6 December 2007, Singyes Renewable Energy shall make capital contribution in the sum of RMB200,000 to set up a photovoltaic engineering research centre with research focus on areas including BIPV, independent/integrated-grid power generation systems using complementary wind and solar energy and the feasibility study on the application of renewable energy on islands. Zhongshan University will cooperate with Singyes Renewable Energy to research on and develop the BIPV market and products by providing the relevant research facilities and technology. Zhongshan University will also provide free technological

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training to the staff of Singyes Renewable Energy. Under such cooperation framework agreement, the parties shall enter into a separate agreement for each particular research project in the aforesaid areas which will stipulate the party that will make capital contribution to the research project and that any intellectual property rights and research results shall be owned by the party who makes capital contribution to the research projects. Both parties are entitled to conduct further research based on the intellectual property rights and research results. Other than the aforesaid arrangements, there are no profit sharing arrangement. The term of the cooperation agreement is two years from 30 November 2007. We believe that the cooperation agreement will strengthen our research and development capabilities for our BIPV and solar-power product business.

Singyes Renewable Energy entered into a technology development agreement with Zhongshan University on 3 June 2008. Under the agreement, Singyes Renewable Energy engaged Zhongshan University in the research and development of solar water pumping system with a capacity of 100W-2200W. Singyes Renewable Energy will make capital contribution of RMB300,000 to Zhongshan University as research funding which will be paid by installments in three years. The research funding of RMB300,000 to be contributed by Singyes Renewable Energy consists of technology development fee of RMB150,000, materials and facilities fee of RMB75,000, labour fee (including subsidy for research students) of RMB60,000 and management fee of RMB15,000. Pursuant to the agreement, Zhongshan University shall provide Singyes Renewable Energy within 15 days of the effective date of the agreement, which is 1 May 2008, a research and development plan as regards the research of at least three solar water pumping systems with a specification and capacity of 100W-2,200W and provide information as regards the relevant production facilities of the solar water pumping systems. Within three months upon signing of the agreement, Zhongshan University shall provide technology specification plans of solar water pumping systems with three different specifications that can be put into production and to provide the user's manual for the above products. We have already received such documents from Zhongshan University. The term of the agreement will be valid from May 2008 to December 2010. Singyes Renewable Energy shall have the right to apply for the registration of the intellectual property rights and shall be the owner of any intellectual property rights of the research results. The research and development professionals of Zhongshan University who have participated in the research and development project under the agreement shall be entitled to the right to disclose his or her name in the document of the relevant research result and the right to obtain the relevant certificates of honour and awards. Properties including the facilities, equipment and information related to the research project purchased and financed by the research funding of the agreement shall be owned by Zhongshan University. Other than the aforesaid arrangements, there are no profit sharing arrangements. The project under the development agreement has just commenced and is still at a preliminary stage.

Our main achievements

(i) *a-Si BIPV* (非晶硅光伏建築一體化)

We have obtained a patent in the PRC in respect of a-Si BIPV for a term of 10 years commencing from 7 March 2007.

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(ii) *Solar integrated grid power generation system* (太陽能並網發電系統)

Our research and development department has successfully developed a type of solar integrated grid power generation system, which allows the electricity generated from the BIPV system to be uploaded to the grid.

We have obtained a patent in the PRC in respect of the solar integrated grid power generation system for a term of 10 years commencing from 25 January 2007.

(iii) *Telecommunication station power system* (通訊基站供電系統)

Our research and development department is researching on telecommunication station power system, which supplies power to telecommunication stations located in areas which are remote from power grid.

(iv) *Intelligent internal ventilation curtain wall* (內循環智能呼吸幕牆)

Our research and development department has successfully developed a type of intelligent internal ventilation curtain wall in February 2005. This type of curtain wall comprised of two layers of glass. A ventilation system is connected to the top and bottom of the curtain wall and air circulates through the space between the two layers of glass. There is an electronic intelligent sunshading system installed in the space between the two layers of glass. As the air from the ventilation system circulates between the two layers of glass, the air quality inside the buildings is not affected. The electronic intelligent sunshading system will automatically adjust the angle of the sunshade according to the external temperature and lighting. Thus, such curtain walls help to regulate the indoor temperature and keep indoor air fresh.

We have obtained a patent in the PRC in respect of this type of curtain wall for a term of 10 years commencing from 24 January 2007.

(v) *Modular double-layer curtain wall* (組件式雙層幕牆)

Our research and development department has successfully developed a type of modular double-layer curtain wall which is made up of two layers of curtain wall made up of detachable parts which can be conveniently detached and installed. As this curtain wall is fabricated and assembled at our fabrication plant, it requires less time to install on-site.

We have obtained a patent in the PRC in respect of this type of curtain wall for a term of 10 years commencing from 9 May 2007.

(vi) *Detachable electric blinds in-between glasses* (可拆卸式電動內簾中空玻璃)

Our research and development department has successfully developed detachable electric blinds in-between glasses which is a kind of curtain wall in which each individual part (including the blinds) is detachable and can be replaced individually. Such curtain walls

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possess aesthetic qualities and can be conveniently detached and installed as a whole. In addition, various parts of such curtain walls can be easily detached and replaced, making it convenient to maintain.

We have obtained a patent in the PRC in respect of this type of curtain wall for a term of 10 years commencing on 16 May 2007.

(vii) Compound assemble window frame connectors (組合式組框連角器)

Our research and development department has successfully developed compound assemble window frame connectors, which join different pieces of the curtain wall panel frame. With these connectors, the frame of a curtain wall panel can be broken down into pieces and assembled at the work site. This help to reduce the size of the panel frame for transportation and in turn reduce the transportation cost.

We have obtained a patent in the PRC in respect of this design for a term of 10 years commencing from 9 May 2007.

(viii) Single-panel heat insulation materials (單橋隔熱型材)

Our research and development department has developed single-panel heat insulation materials which have the advantages of lower cost of production, energy-saving and easier to fabricate as compared to the double-panel heat insulation materials. These materials are used in the construction of curtain walls and aluminium alloy door and windows.

In May 2005, we have applied for a patent in the PRC in respect of such materials. As at the Latest Practicable Date, our application is still pending.

OCCUPATIONAL HEALTH AND SAFETY

Our Directors believe that it is essential to provide a safe and healthy working environment. We have allocated a number of personnel and resources for occupational health and safety management matters. We have also established guidelines and reporting systems relating to occupational health and safety, and provided relevant training to our staff. Our subsidiary, Zhuhai Singyes, was awarded GB/T 28001-2001 Certificate of Conformity of Occupational Health and Safety Management System (職業健康安全管理体系認證) in 2006 in recognition of its performance in respect of occupational health and safety. We have also documented all the safety procedures in writing and from time to time we will organize training and demonstration for our staff and subcontractors to uphold and improve work site safety.

During the Track Record Period, our cost of compliance with respect to occupational health and safety was approximately RMB0.26 million, RMB0.25 million, RMB0.36 million and RMB0.12 million for the years ended 31 December 2005, 2006, 2007 and the six months ended 30 June 2008, respectively. We estimate that our annual cost of compliance with respect to occupational health and safety will be approximately RMB1.0 million each year for the next three years.

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We have adopted a preventive approach with an emphasis on hazard management and risk assessment and in addition, we have developed and maintained a safety management system where we will properly manage and review the records of non-compliance with any safety procedures and the remedial measures. This can help to manage occupational health and safety of our staff at the construction sites and ensure compliance with the applicable laws and regulations.

In the event of significant accidents occur, we will stop work procedures immediately and report to the project manager who will draw the attention of the quality management division which will analyse and evaluate the accidents concerned. The ultimate aim is to ensure that in future there is sufficient prevention control and safety measures such that there is no future reoccurrence of similar accidents. We also conduct internal safety inspection regularly in order to ensure that our operations are carried out in a way that adheres to the safety requirements of our internal manual. Besides, we also provide safety training to all of our staff from time to time on all safety procedures including evaluation and other emergency procedures and provide access to information about safety procedures. We offer free body check-up to our staff. We will also conduct training on any new equipment or machinery. Our on-site staff will also monitor our subcontractors' activities to ensure that our subcontractors abide by all applicable laws and regulations and observe all safety requirements as stipulated in the safety manuals.

We will continue to put adequate resources and effort to uphold and improve our safety management system in order to reduce our risks related to safety issues.

During the Track Record Period, there are no significant accidents in relation to safety and health reported. From time to time we will evaluate and improve our safety control measures with a view to avoid future reoccurrence of similar accidents. As advised by our PRC legal advisors, our Group has complied with all applicable labour and safety laws and regulations in all respects.

ENVIRONMENTAL PROTECTION

Our industry is subject to certain laws and regulations in respect of environmental protection. Our Directors are of the view that it is important for us to be environmentally conscious and responsible in respect of environment protection and to promote a healthy living environment in order to meet both the demands of our customers and the general expectation of the community at large.

Our PRC legal advisors confirm that we are in compliance with the applicable environmental laws and regulations of the PRC. As at the Latest Practicable date, our Group has not been subject to any fines or legal action involving non-compliance with any relevant environmental laws or regulations.

We are committed to minimizing any adverse impact on the environment resulting from our business activities. We will:

- focus on prevention of pollution, minimization of waste and resource conservation and recycling;

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- comply with applicable legal requirements and other requirements which relate to environmental aspects; and
- establish, implement and maintain the environmental management system and strive for continual improvement.

In order to comply with the applicable environmental protection laws, we have established an environmental management system in accordance with ISO 14001:2004 international standards and were awarded ISO 14001:2004 GB/T 24001-2004 Certificate of Conformity of Environmental Management System (環境管理體系認證證書) in 2008.

Our environmental control measures include:

- setting up segregation area for the sorting of different kinds of construction waste including paper, plastic, aluminium, steel, glass etc.;
- designating areas for and using recycling bins to collect recyclable wastes;
- providing bins to collect containers of toxic substances to ensure no pollution as a result of leakage of toxic substance and to transmit to designated areas for collecting the recyclable wastes;
- segregating construction sewage pipe and ordinary sewage pipe to ensure no toxic chemical waste is entering the ordinary sewage pipe; and
- reducing construction and demolition wastes.

We require our workers and subcontractors to abide by the regulations set out in our internal control guidelines in respect of environmental protection. In order to ensure compliance with the relevant environmental regulations on sites, we conduct regular internal environmental inspections as to prevent and minimize the adverse impact on the surrounding environment. We will continue to ensure implementation of our policy on environmental management to avoid violation of applicable laws or regulations in environmental protection.

We assign separate resources to maintain our environment management system and ISO 14001 certification in order to reduce our risks related to environmental issues.

Our Directors consider that the assembly activities of our Group, which mainly involve the assembly of parts and components purchased from different suppliers, do not release industrial wastes and are in compliance with the environmental protection laws and regulations of the PRC. As our business does not involve the release of industrial wastes, there is no need for our Group to adopt any special measures to reduce pollution or adverse impact on the environment under the applicable PRC laws. In this connection, we do not anticipate that our Group will need to incur significant cost in the future to comply with applicable laws and regulations in relation to environmental protection.

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INSURANCE

We purchase pension insurance, medical insurance, unemployment insurance, workplace injury insurance and maternity insurance for our employees and personal injury insurance for our workers pursuant to the relevant PRC laws and regulations.

We do not have any third-party liability insurance to cover claims in respect of personal injury or property or environmental damage arising from accidents on our property or relating to our operations. Such insurance are not mandatory according to the laws and regulations of the PRC and would impose additional costs on our operations which would reduce our competitiveness against our competitors in the PRC. Our Directors consider that our Group's insurance coverage is sufficient and is in line with normal commercial practice in the PRC.

INTELLECTUAL PROPERTY

We rely on patents and trademarks to protect our intellectual property rights. We are the registered owner of six patents and we have been granted approval for another three patents in the PRC. We have made application for registration of six patents in the PRC and as at the Latest Practicable Date, these applications are still being processed. As at the Latest Practicable Date, we have registered one trademark and two domain names. We have made application for registration of two trademarks in Hong Kong and as at the Latest Practicable Date, these applications are still being processed. Our PRC legal advisors advised that save for the six patents and two trademarks that are under application, our Group's patents and trademarks are all registered properly by members of our Group. As at the Latest Practicable Date, to the best knowledge of our Directors, we have not suffered from any infringement of our intellectual property rights and we have not violated any intellectual property rights of any third parties.

As of the Latest Practicable Date, our Company is not a party to any litigation brought by any third party due to infringement of intellectual property rights. Details of our intellectual property are set out in Appendix VI to this prospectus.

PROPERTY INTERESTS

We summarise the property in the PRC held and occupied, held under development and contracted to be acquired by our Group as follows:

	Location	Status	Site area	Gross floor area	Particulars of occupancy	Expiry Date of Land Use Right
1.	Zhuhai City, Guangdong Province	Property interest held and occupied by our Group	8,007.81 sq.m.	6,646.05 sq.m.	Uses of office and production purposes	11 October 2050
2.	Zhuhai City, Guangdong Province	Property interest held under development by our Group	3,978.19 sq.m.	3,809.44 sq.m. (upon completion) (an industrial building with a gross floor area of approximately 2,761.44 sq.m. has been completed)	To be used for production purpose	10 January 2053
3.	Zhuhai City, Guangdong Province	Property interest contracted to be acquired by our Group		Planned gross floor area of approximately 3,532.9 sq.m.	The property is currently vacant (a dormitory building with a planned gross floor area of approximately 3,532.9 sq.m. will be developed)	

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As at the Latest Practicable Date, we currently own two parcels of land, which are located in Zhuhai, Guangdong Province in the PRC with an aggregate site area of approximately 11,986 sq.m. The industrial buildings erected thereon and under construction have a gross floor area of approximately 6,646.05 sq.m. and 3,809.44 sq.m. (upon completion) respectively. Another parcel of land located in Zhuhai with a planned gross floor area of approximately 3,532.9 sq.m. is contracted to be acquired by our Group.

In respect of property No. 1, we have obtained all relevant title documents, including real estate title certificate for the parcel of land and building. According to our PRC legal advisors, we have full legal rights to use and assign the property. As at the Latest Practicable Date, we operate thereon a fabrication plant for the processing, fabrication and assembly of curtain wall components, BIPV components and solar-power modules. In or around January 2009, we intend to relocate our current operations in property No. 1 to property No. 2.

In respect of property No. 2, we entered into a state-owned land use rights grants contract with Nanping Science and Technology Park Committee on 29 November 2002. As advised by our PRC legal advisors, we have obtained the relevant approval and permits to use the land on which we have completed the construction of a plant as at the Latest Practicable Date. We have obtained the real estate title certificate in respect of property No. 2 on 23 December 2008 for a gross floor area of 2,761.44 sq.m.

However, we intend to construct an additional area of 1,048 sq.m. not covered by the relevant construction work planning permit or construction work commencement permit in the building in property No. 2 and we have not yet commenced construction work for the additional area of 1,048 sq.m. We intend to obtain the construction work planning permit or construction work commencement permit for this area and expect to obtain all such permits together with the real estate title certificate for the entire area of 3,809.44 sq.m. in the second half of 2009. As advised by our PRC legal advisors, there is no material legal impediment for our Group to obtain such construction work planning permit and construction work commencement permit. The property is intended to be used as a factory for the processing, fabrication and assembly of curtain wall components, BIPV components and solar-power modules. In the event of undue delay to obtain all necessary permits and title certificate, we will consider leasing other premises in Zhuhai. Our Directors consider that there are other properties in Zhuhai that are readily available for our Group to lease as factory premises. We estimate that the cost of leasing new premises will be approximately RMB0.9 million annually and the relocation cost would be approximately RMB2.85 million. Our Directors expect that it will take around two weeks' time to complete the relocation. In view of the availability of replacement properties to be leased as factory premises and the time and cost of relocation, our Directors believe that the delay in obtaining the relevant permits and certificates will not have material adverse impact on our business, financial conditions and results of operations.

In respect of property No.3, as advised by our PRC legal advisors, despite the land premium has been fully paid by Zhuhai Singyes, our Group has not yet been able to obtain the land use rights as at the Latest Practicable Date because of the delay in certain approval procedures including land survey and mapping work. As advised by our PRC legal advisors,

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there is no legal obstacle in obtaining the land use rights. Our Directors confirm that the land is intended to be used for staff dormitory and the delay in obtaining the land use rights does not have any material impact on our business and operations.

Leased properties without proper titles or registration

We set out below a summary of the properties rented and occupied by our Group in the PRC:

Property Location	Floor Area	Particulars of occupancy	Real Estate Title Certificate	Lease Registered
4. Beijing	192.1 sq.m.	Office purpose	No	No
5. Beijing	102.41 sq.m.	Residential purpose	Yes	No
6. Hohhot	314.78 sq.m.	Residential purpose	Yes	No
7. Hohhot	128.29 sq.m.	Residential purpose	Yes	No
8. Nanjing	241.78 sq.m.	Office purpose	Yes	No
9. Guangzhou	218 sq.m.	Office purpose	No	Yes

As at the Latest Practicable Date, the lessors of properties No. 4 and No. 9 do not have the proper title certificate for the property and the lease registration of the five tenancies out of the six tenancies we entered into has not been completed. All of these properties are used for either sales office or staff quarters. The aggregate lease area of these properties is approximately 979.36 sq.m. Our PRC legal advisors advised us that:

- a. The tenancy agreements regarding properties no. 4, 5, 6, 7, 8 and 9 are legal, valid and enforceable and the lessors of all properties have the right to lease the property;
- b. In respect of properties No. 4 and No. 9, there is a risk that the lessee may be evicted from these properties as the lessors do not have proper title certificates;
- c. The tenancy agreements regarding properties No. 4, 5, 6, 7 and 8 have not been duly registered with the relevant government authority and the parties to the relevant tenancy agreement may be penalized by a fine from RMB200 to RMB500 for properties No. 4 and 5; a fine of not more than RMB15,000 in respect of properties No. 6 and 7 and a fine from RMB1,000 to RMB10,000 for property No. 8 but the validity of the agreements will not be affected pursuant to the PRC Contract Law. The lessors of these properties have undertaken to compensate for all the loss of our Group arising from the lack of registration of the relevant tenancy agreement;
- d. The relevant lessor has undertaken that the relevant property will not be leased to any other third party during the valid term of the relevant tenancy agreement; and
- e. Our Group has the right to use these properties under the tenancy agreements.

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The lessor of each of the properties No. 4, 5, 6, 7 and 8 has undertaken that each of the properties will not be leased to any other third party during the valid term of the relevant tenancy agreement and our Group has the rights to use each of the properties under the respective tenancy agreements. Pursuant to the PRC Contract Law, the validity of the agreement will not be affected and the relevant lessors have also undertaken to compensate for the loss of our Group arising from the lack of registration of the relevant tenancy agreement.

Our Directors consider that there are other premises in Beijing, Hohhot, Nanjing and Guangzhou that are readily available for our Group to lease as sales offices and staff quarters from other landlords within a short period of time at similar prices. In view of the amount of the fine and the availability of replacement properties to be leased as sales office and staff quarter, our Directors believe that the absence of title certificates of lessors and the failure to register these tenancy agreements will not have material adverse effect on the business, financial condition and results of operations of our Group.

Details of such properties are set out in the property valuation report in Appendix IV to this prospectus.

LITIGATION, ARBITRATION AND POTENTIAL CLAIM

For the purpose of carrying on our Group's business in the PRC, our PRC legal advisors confirm that our Group has complied with all relevant PRC laws and regulations in all material respects. During the Track Record Period, our Group is not involved in any material litigation or arbitration proceedings or subject to any material claims.

LEGAL PROCEEDINGS

As at the Latest Practicable Date, our Directors are not aware of any legal, administrative, litigation or arbitration proceedings, pending or threatened against our Group or any of our Directors that could have a material adverse effect on our Group's business, financial condition and results of operations.

COMPETITION

The construction industry in the PRC is in general highly competitive and characterized by a large number of curtain wall engineering companies in various territories of the country. Pursuant to the CCMSA Report, there are approximately 300 enterprises engaging in curtain wall construction and sale of curtain wall products and the majority of these enterprises are small-sized enterprises. According to CCMSA Report, at the end of 2006, only 79 enterprises have been awarded both the "Level 1 Contracting for Construction of Curtain Wall Projects" (建築幕牆工程專業承包一級) and "Class A Project Design for Curtain Wall Projects" (建築幕牆專項工程設計甲級) in the PRC. The number of construction companies in the PRC has increased in recent years as a result of the growth of the construction sector. We expect that the competition in the curtain wall industry will remain to be intense in the coming years. New participants may enter the industry provided that they have the appropriate skills and are granted the requisite licenses. As a result of intense market competition, there may be an increase in the mergers or restructurings of domestic

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construction companies under the guidance or encouragement of the PRC Government or as a result of market trends. Some of our domestic competitors, including state-owned enterprises and private companies, may therefore merge in the future to become companies of an even larger scale, and any consolidation of the industry resulting from government policies or market trends may pose new challenges to us. Domestic competitors may also have advantages over us in terms of pricing and sponsorship provided by local governments in respect of bidding for projects, and local governments may prefer to contract with locally based contractors.

Also, as parts of the commitments to WTO accession, the PRC government has in recent years implemented certain policies to open the domestic construction industry, and foreign invested companies are now allowed to participate in various types of infrastructure projects, despite the existence of certain qualification restrictions. Hence, we also face competition from foreign competitors apart from domestic competitors. Our foreign competitors may also have greater financial, technical, management or other resources than we do.

Although our Group faces intense competition in the curtain wall industry with a number of competing players, we are of the view that our Group has competitive advantages, including but not limited to our established track record, reputation in curtain wall engineering projects, our extensive experience in public work projects, which enable us to maintain our competitiveness. We believe that many of our major competitors have the appropriate skills and requisite licenses which enable them to provide comprehensive services with reliable quality in respect of curtain wall business. However, we believe that many of our competitors operating in the curtain wall industry do not have the relevant experience in the renewable energy business in respect of BIPV systems and solar-power products.

In relation to our BIPV business, as the BIPV market in the PRC is still at its early stage of development, we consider that the competition in the BIPV market in the PRC is limited. As of the Latest Practicable Date, we are aware of two other PRC companies of comparable scale and business scope in the BIPV market that compete against us. These companies are also engaged in curtain wall construction business as well as BIPV business. We expect that the growth in the BIPV market will lead to increase in the number of competitors, and that many companies engaging in curtain wall engineering and/or PV cell production may expand their businesses into the BIPV market in the PRC. The more intense competition in the BIPV market may lead to a decrease in our profit margin. In addition, our competitors may be more established or have better reputation than us, or may have greater financial resources or production capacity, more advanced technology, lower production costs, more reliable supply of production materials or better market accessibility.

In terms of our solar-power product business, we compete with our competitors in terms of the capabilities of system design, quality and reliability of system installation and after-sales maintenance. We also compete for the supply of thin-film PV panels which are the core components of our solar-power products. Provided our major focus on thin-film PV products, we face competition from local and overseas producers of solar-power systems using other types of thin-film PV cells and/or crystalline silicon PV cells. These producers may have longer solar-business history, larger production capacities, more advanced

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technologies and more extensive clientele than we do. Besides, we expect that growing market demand for solar-power products driven by favourable policies by the PRC government may encourage existing PV cell producers in the PRC to expand their business to downstream applications and/or reduce their export volume. In this regard, we will face more intense competition. Nonetheless, we strive to compete with our competitors by leveraging on our visionary management team, top-class qualifications, research and development capabilities, domestic and overseas clientele, established relationships with state-owned and private developers focusing on public work projects and ample experience in public work projects in the PRC.

Competitive weakness of our Group

In relation to our BIPV and solar-power product businesses, one of our main competitive weaknesses lies on the reliance on supply of thin-film PV panels from Weihai China. For the six months ended 30 June 2008, approximately 98.9% of our PV panels were supplied by Weihai China. Please refer to the paragraph headed “An increase in the prices of materials or shortage of material supplies may adversely affect our business, financial condition and results of operations” in the “Risk Factors” section of this prospectus for details.

Our BIPV and solar-power product businesses have a relatively short operating history. We operate our BIPV and solar-power product businesses in the PRC since the beginning of 2007. In addition, we may face more intense competition in the BIPV and solar-power product markets in the PRC in the future and our competitors may be more established or have better reputation than us, or may have greater financial resources or production capacity, more advanced technology, lower production costs, more reliable supply of production materials or better market access.

Our Group’s profitability and growth in revenue may be adversely affected by material reduction of government spending on public work related curtain wall engineering projects and the reduction of investment in commercial and industrial property projects. Our revenue attributable to conventional curtain wall business was approximately 38.6%, 39.0% and 2.5% of our Group’s total revenue respectively for public work, commercial and industrial properties and high-end residential buildings for the six months ended 30 June 2008. We are exploring business opportunities outside the PRC. We are also actively seeking business partners who can assist us in sourcing projects outside the PRC. Our Directors are of the view that taking into account the competitive strengths of our Group as set in this section, our Group is well-positioned to compete with our competitors. However, our Directors believe that there are inherent risks associated with such business development, including the difference in economic and social conditions, competition within the local market, change in exchange rates of currency, tendering practices and legal and regulatory requirements.

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INTERNAL CONTROLS

During our Group's previous listing application on the Singapore Stock Exchange in 2005 ("Singapore Listing Application"), our Group's auditors at that time, TKH & Company ("TKH"), have identified certain deficiencies and weaknesses relating to our internal controls and accounting record keeping system during their audit including (i) lack of formal documentation of monthly cash counts; (ii) lack of proper tagging or labeling of their fixed asset for proper identification and audit trail; (iii) not timely invoicing to customers according to contracts terms and conditions; (iv) improper capitalizing of certain expenses such as marketing expenses and entertainment expenses to construction in progress account; (v) lack of proper records keeping relating to construction projects such as original completion report and (vi) lack of a system to monitor and keep track of actual warranty cost incurred so that it may be difficult for the management to estimate the potential costs to be incurred in providing future warranty to the customer. The Singapore Listing Application had not been approved or rejected. In early October 2005, the management of our Group decided to withdraw the Singapore Listing Application after due consideration of (i) better market sentiment of the Hong Kong stock market; (ii) better liquidity of the shares of Hong Kong listed companies; (iii) better awareness of PRC enterprises in the Hong Kong stock market; and (iv) lower administrative and maintenance costs for listing in Hong Kong due to its proximity to our Group's operation in the PRC.

For the purpose of application for listing in Hong Kong, the Company engaged Ernst & Young Hua Ming ("EYHM"), an independent internal control advisor, to assist the management in assessing our Group's internal control systems and recommending actions to improve our internal controls. The internal control assessment was conducted during March 2008 and the scope covers processes and systems that have significant impact over our Group's financial reporting and ability to comply with the relevant requirements under the Listing Rules, including entity level controls, sales process, procurement process, inventory management process, expenses management process, fixed assets management process, production management process, cash management process, financial statement closing process, general compliance and information technology process.

EYHM has identified certain deficiencies and weaknesses in our internal control systems during their review. Significant findings include:

- lack of an effective corporate governance system in relation to compliance with the Listing Rules;
- lack of an independent internal audit function;
- lack of the required board committees required under the relevant requirements of the Listing Rules including the audit committee and remuneration committee;
- lack of policies and procedures relating to fraud detection and prevention;
- lack of formal and standard policies and procedures governing the preparation of budget and performing budget/actual variance analysis;

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- lack of formal financial statement closing policies and procedures to ensure that our financial statements are prepared in accordance with the applicable accounting standards and the Listing Rules;
- lack of an effective internal control system to timely record revenue and related costs;
- inadequate monitoring and control over complying with contractual agreements regarding subcontracting of construction work;
- lack of effective tax controls regarding tax return filings and tax payments such that our Group has reported zero enterprise income in the quarterly tax returns and, instead, reported its yearly enterprise income in the tax returns filed at the end of the tax year; and that in some of the projects, our Group issued invoices upon the receipt of progress payments or upon request from the customers instead of issuing invoices upon completion of the relevant projects such that the corresponding business tax has not been paid in a timely manner; and
- lack of formal information technology policies and procedures.

The management has taken immediate actions to rectify the internal control weaknesses based on the recommendations provided by TKH and EYHM. By the end of August 2008, we have resolved and addressed all of the previously identified internal control deficiencies. We have engaged EYHM to perform a follow-up review of the status of implementing the corrective action plans and controls in July through August 2008. Based on the previously identified internal control weaknesses and agreed corrective action plan, the follow-up report did not reveal major outstanding items. Major internal control measures and policies being implemented include the following:

- (1) Our Company has appointed three independent non-executive Directors who possess the relevant industry, financial and management experiences to enhance the corporate governance of our Group. Initial trainings have been provided to all Directors and senior management with regard to compliance with the Listing Rules, duties and responsibilities of directors, disclosure requirements and connected transactions;
- (2) A remuneration committee has been set up in accordance with the Listing Rules and three-fourths of its members are independent non-executive Directors. The Company has drafted the constitution of the remuneration committee which includes provisions on appointment of members, meeting procedures and power and functions of the remuneration committee;
- (3) An audit committee has been established in accordance with the Listing Rules comprises three independent non-executive Directors. The audit committee will review and supervise the financial reporting process and internal control system. The Company has drafted the constitution of the audit committee which includes guidelines on the appointment of audit committee members, proceedings of meetings, and powers and obligations of the audit committee;

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- (4) Our Company has appointed Mr. Yick Wing Fat, Simon, who is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Accountants in England and has expertise in audit, merger and acquisition, investment banking and direct investment, as an independent non-executive Director. Our Company has also appointed Mr. Yu Chon Man, Jimmy as the Company's qualified accountant in June 2008. Mr. Yu is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Yu has experience in financial and accounting matters and is familiar with Hong Kong tax law and filing procedures. Our Company will draw on their experiences with respect to compliance with applicable regulatory and financial reporting requirements. Please see the section headed "Directors, Senior Management and Staff" in this prospectus for detailed biographies of Mr. Yick Wing Fat, Simon and Mr. Yu Chon Man, Jimmy;
- (5) Our Company has appointed Mr. Yu Chon Man, Jimmy as the company secretary in June 2008. Mr. Yu has experience in handling compliance matters for listed companies in Hong Kong and will be responsible for overseeing the day-to-day compliance matters of the Listing Rules of our Group subsequent to the Listing;
- (6) Our Company has appointed Mr. Liu Hongwei (an executive Director) and Mr. Yu Chon Man, Jimmy (company secretary) as the authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as the principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times;
- (7) Our Company will appoint ICBCIC as our compliance advisor to advise use on compliance matters in accordance with Rule 3A.19 of the Listing Rules;
- (8) The Directors and senior management of our Group have attended training sessions conducted by the Company's legal advisors as to Hong Kong law, DLA Piper Hong Kong, regarding the on-going obligations and duties of directors of a publicly listed company on the Main Board of the Stock Exchange, including connected transactions and code on corporate governance practices;
- (9) Our Company has developed a formal code of conduct for all employees which provides guidelines on acceptable/unacceptable business behaviors and handling conflict of interest circumstances. Our Company has also amended the employees' handbook. Our Company will conduct regular training sessions in respect of the code of conduct and fraud detection and prevention for our employees. Our Company has also established reporting channels for staff to report any alleged corruption and fraud;
- (10) Our Company has developed and implementing a formal accounting and financial reporting policies and procedures manual including policies relating to, among others, the preparation of budget and variance analysis, formal documentation of

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regular cash counts, proper tagging of fixed assets, timely invoicing to customers, capitalization of expenses, and monitoring warranty costs incurred to enable a more timely and accurate financial reporting;

- (11) Our Company has established formal policies and procedures with respect to timely recording of revenue and related costs;
- (12) Our Company has established policies and procedures to monitor tax filing and payment matters to ensure compliance with relevant tax regulations;
- (13) Our Company has implemented control measures in respect of subcontracting to ensure adherence to the terms of the master subcontracting and supplementary subcontracting agreements, if applicable;
- (14) Our Company has developed formal information technology policies and procedures which covered information security, backup and contingency plans;
- (15) Our Company has adopted corporate governance manual prior to the Listing for compliance with the Listing Rules and other legal and regulatory requirements including the reporting and disclosure of price sensitive information, notifiable transactions and connected transactions; and
- (16) Our Company has set up an internal audit department prior to the Listing.

Our Directors and the Sponsor are of the view that as the deficiencies and weaknesses identified by the TKH and EYHM have been resolved substantially prior to the Listing, it will not have material impact on our Group's suitability for listing. Based on the above, the Sponsor is able to make the confirmation on our Group's internal control pursuant to the Listing Rules 3A.15(5) and 3A.15(6) based on its independent due diligence.