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CHINA TECHNOLOGY SOLAR POWER HOLDINGS LIMITED
中科光電控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8111)

**FIRST QUARTERLY RESULT ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2019**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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QUARTERLY RESULTS HIGHLIGHTS

The loss attributable to owners of the Company for the three months ended 30 June 2019 was approximately RMB5.5 million (2018: loss attributable to owners of the Company of approximately RMB13.3 million (restated)).

The revenue of the Group for the three months ended 30 June 2019 was approximately RMB25.8 million, representing an increase of approximately 2,696.7 per cent. as compared with approximately RMB0.9 million (restated) recorded for the three months ended 30 June 2018.

Gross profit margin of the Group was approximately 15.4 per cent. for the three months ended 30 June 2019, as compared to approximately 34.2 per cent. for the three months ended 30 June 2018.

Basic loss per share for the three months ended 30 June 2019 was approximately RMB0.30 cents (2018: Basic loss per share of approximately RMB0.93 cents (restated)).

The Directors do not recommend the payment of a dividend for the three months ended 30 June 2019 (2018: Nil).

I am pleased to present the unaudited consolidated results of China Technology Solar Power Holdings Limited for the three months ended 30 June 2019.

BUSINESS REVIEW

The Group was principally engaged in (i) sales of solar power related products; (ii) new energy power system integration business; (iii) sales of self-service automatic teller machine (“ATM”) systems and printing systems, and (iv) provision of hardware and software technical support services in the People’s Republic of China (“PRC” or “China”) during the three months ended 30 June 2019.

The Group recorded a loss attributable to owners of the Company of approximately RMB5.5 million for the three months ended 30 June 2019 (2018: loss attributable to owners of the Company of approximately RMB13.3 million (restated)), such reduction in loss was mainly attributable to (i) the increase in revenue of the Group during the three months ended 30 June 2019 and (ii) the decrease in administrative expenses of the Group during the three months ended 30 June 2019 as a result of the Group’s cost control policy.

The Group's revenue amounted to approximately RMB25.8 million for the three months ended 30 June 2019, representing an increase of approximately 2,696.7 per cent. as compared with approximately RMB0.9 million (restated) recorded for the three months ended 30 June 2018. Such increase was mainly attributable to the increase in revenue generated from the sales of solar power related products by approximately RMB24.8 million during the three months ended 30 June 2019, as compared with the same period last year.

The Group's gross profit margin was approximately 15.4 per cent. for the three months ended 30 June 2019, as compared to approximately 34.2 per cent. for the three months ended 30 June 2018. The gross profit margin for the three months ended 30 June 2019 was lower than that of the same period last year because the solar power related products sold by the Group in the three months ended 30 June 2019 were ready-made products in the market and the products sold by the Group in the same period last year were customised products with a higher profit margin.

Selling expenses incurred by the Group for the three months ended 30 June 2019 amounted to approximately RMB0.6 million (2018: approximately RMB0.7 million (restated)), representing a decrease of approximately 14.7 per cent. because of the Group's policy on cost control.

Administrative expenses incurred by the Group for the three months ended 30 June 2019 amounted to approximately RMB6.0 million (2018: approximately RMB7.7 million (restated)), representing a decrease of approximately 22.7 per cent. because of the Group's policy on cost control.

Basic loss per share was approximately RMB0.30 cents for the three months ended 30 June 2019, as compared with the basic loss per share of approximately RMB0.93 cents (restated) for the three months ended 30 June 2018.

SALES OF SOLAR POWER RELATED PRODUCTS

The business of sales of solar power related products includes the research and development, sales and provision of other relevant technology consultation services of photovoltaic mounting brackets, solar trackers, the guardrail of the solar power stations and solar power related products.

The revenue generated from the sales of solar power related products was approximately RMB25.8 million for the three months ended 30 June 2019 (2018: RMB0.9 million (restated)), accounted for approximately 100.0 per cent. (2018: 100.0 per cent.) of the Group's revenue.

NEW ENERGY POWER SYSTEM INTEGRATION BUSINESS

The PRC government continues to support the development of the solar energy industry. Although the PRC government has cut down on subsidy on solar electricity, the Thirteenth Five-Year Plan for the National Economic and Social Development has set clear targets on the development of different renewable energy technologies including but not limited to technologies relating to solar photovoltaic power and solar thermal power.

Considering the PRC government's encouragement on distributed photovoltaic power generation, the Group continue to look for other solar energy generation projects and new energy power system integration services.

In October 2018, Shaanxi Baike New Energy Technology Development Co., Ltd.* (陝西百科新能源科技發展有限公司) (“**Shaanxi Baike**”), an indirect wholly-owned subsidiary of the Company, and an engineering company in Sichuan province of the PRC (“**Sichuan Company**”) jointly entered into a subcontractor contract (“**Subcontractor Contract**”) with PowerChina Hebei Engineering Corporation Limited (“**PowerChina**”) for the provision of contractor services for the construction of a photovoltaic power station in Erquanjing Xiang, Zhangbei county of the PRC at a contract price of RMB380 million (value-added tax included) (“**Zhangbei Project**”). The Zhangbei Project has a designed capacity of 500MWp. The Subcontractor Contract is for the construction of 100MWp of the first phase of the Zhangbei Project of 240MWp. Shaanxi Baike and Sichuan Company also entered into an engineering consultancy contract (“**Engineering Consultancy Contract**”) pursuant to which Shaanxi Baike agreed to provide engineering consulting services in relation to the first phase of the Zhangbei Project at a contract price of RMB30 million (value-added tax included). As at the date of this announcement, the construction of the Zhangbei Project has already commenced, and of which approximately 22.0 per cent. and 60.0 per cent. of the Subcontractor Contract and Engineering Consultancy Contract respectively have been completed in last year.

There was no revenue generated from the new energy power system integration business during the three months ended 30 June 2019 (2018: Nil) because the Group was awaiting the system testing and progress report from PowerChina for the recognition of revenue generated from the provision of new energy power system integration services under the Subcontractor Contract during the three months ended 30 June 2019. The Group expects to obtain such report from PowerChina in the next quarter this year, so as to recognize the revenue generated from the new energy power system integration business in the second quarter of 2019.

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Power system integration refers to the optimisation of technologies in the civil engineering system, electrical system and other ancillary system, database technologies, surveillance and software management. The Group shall source equipment and products from different vendors based on the scale and capacity of the respective new energy power stations and subsequently carry out integration of the separated equipment, functions and information into a connected, unified and coordinated system. Power system integration enables the utilisation of resources at their best to enhance optimisation of performance of the entire system and achieve centralised, high efficiency, balanced performance, substitutable and available for maintenance, as well as low cost management. The Group also offers subsequent system management services to the new energy power stations.

SALES OF SELF-SERVICE ATM SYSTEMS AND PRINTING SYSTEMS

There was no revenue generated from the sales of self-service ATM systems and printing systems during the three months ended 30 June 2019 (2018: Nil) mainly as a result of the business restructuring during the period under review. The Group is now in the process of discussion with potential customers for new contracts as at the date of this announcement.

PROVISION OF HARDWARE AND SOFTWARE TECHNICAL SUPPORT SERVICES

There was no revenue generated from the provision of hardware and software technical support services during the three months ended 30 June 2019 (2018: Nil) mainly as a result of the business restructuring during the period under review.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There were no significant investments or material acquisition or disposal of subsidiaries by the Group during the period under review.

LIQUIDITY, FINANCIAL RESOURCES AND TREASURY POLICIES

As at 30 June 2019, the Group had cash and bank balances of approximately RMB3.1 million (31 March 2019: approximately RMB2.6 million). The Group had no outstanding bank overdraft as at 30 June 2019 (31 March 2019: Nil).

The Group financed its operations by internally generated cash flow and borrowings.

CHANGE OF AUDITORS

Sky Base Partners CPA Limited (“**Sky Base Partners**”) has resigned as the auditors of the Company with effect from 10 May 2019, due to the change of corporate business strategy of Sky Base Partners.

Sky Base Partners confirmed in its letter of resignation that there were no matters connected with its resignation that needed to be brought to the attention of the shareholders of the Company (“**Shareholders**”).

The Board and the audit committee of the Board (“**Audit Committee**”) confirmed that there was no disagreement between the Company and Sky Base Partners and there were no matters or circumstances in respect of the resignation of Sky Base Partners as auditors of the Company that needed to be brought to the attention of the Shareholders.

On 24 May 2019, the Board, with the recommendation of the Audit Committee, has appointed Deloitte Touche Tohmatsu as the new auditor of the Company to fill the casual vacancy following the resignation of Sky Base Partners and to hold office until conclusion of the next annual general meeting.

Please refer to the announcements of the Company dated 10 May 2019 and 24 May 2019 for further details of the change of auditors of the Company.

EVENTS OCCURRED AFTER THE PERIOD UNDER REVIEW

Disposal of Shares by Substantial Shareholder and Executive Directors

The board of directors of the Company had been informed that on 11 July 2019, Good Million Investments Limited (“**Good Million**”), a substantial Shareholder (as defined in the GEM Listing Rules), entered into a sale and purchase agreement, as vendor, with an independent third party who is an individual, as purchaser (“**Purchaser**”), pursuant to which Good Million had agreed to sell 217,766,038 shares of the Company (“**Shares**”) (representing approximately 11.87% of the total issued share capital of the Company as at 11 July 2019) held by it to the Purchaser.

As at 11 July 2019, Good Million was owned as to 70% and 30% by Mr. Chiu Tung Ping (“**Mr. Chiu**”), an executive director (“**Director**”) of the Company, the chairman of the Company and the chief executive officer of the Company, and Ms. Yuen Hing Lan (“**Ms. Yuen**”). Ms. Yuen is the spouse of Mr. Chiu.

Upon completion of the Disposal, Good Million had ceased to be a substantial Shareholder and had ceased to be interested in any Shares.

Appointment of Executive Director

On 12 July 2019, Mr. Tse Man Kit Keith (“**Mr. Tse**”), the chief financial officer of the Company, has been appointed as an executive Director and the chairman of the corporate governance committee of the Board (“**Corporate Governance Committee**”).

Please refer to the announcement of the Company dated 12 July 2019 for further details relating to the appointment of Mr. Tse as an executive Director.

Reconstitution of the Corporate Governance Committee

With effect from 12 July 2019, the Corporate Governance Committee is reconstituted to comprise Mr. Tse as chairman, and Mr. Chiu Tung Ping, Ms. Yuen Hing Lan, Mr. Hou Hsiao Bing and Ms. Hu Xin as members.

BUSINESS PROSPECTS

Considering the PRC government’s long-term encouragement on distributed photovoltaic power generation, the Group will continue to look for other solar energy generation projects and new energy power system integration services. The Group has been negotiating and securing new contracts for the new energy power system integration business during the period under review.

The Group has been identifying and exploring other business opportunities so as to diversify the Group’s business into the downstream of solar energy business with growth potential and to broaden its sources of income to bring return to the Group and its shareholders.

During the year ended 31 March 2019, the PRC government introduced new policy on cutting down the subsidy on solar electricity. Notwithstanding this, the Group can rely on its strength in the new energy power system integration sector and will continue to negotiate and secure new contracts for the new energy power system integration business and seize other market opportunities in the solar energy industry.

For the sales of self-service ATM systems and printing systems, the Group plans to focus on existing clients, suppliers and manufacturers of the ATM systems and printing systems. The Group is now in the process of discussion with potential customers for new contracts during the period under review. For hardware and software technical support services, the Group did not intend to further invest in this business. Such services will be provided as and when requested by the customers in connection with the sales of self-service ATM systems and printing systems.

The Group will finance its future business plans by internally generated cash flow and borrowings.

Leveraging on the prudent and experienced management and the strong and determined workforce of the Group, the Group will strive to maintain and expand its operations further, thus bringing greater return to its shareholders.

Chiu Tung Ping

Chairman and executive Director

China Technology Solar Power Holdings Limited

Hong Kong, 12 August 2019

RESULTS

The board of Directors (“**Board**”) announces the unaudited consolidated results of the Group for the three months ended 30 June 2019 together with comparative unaudited consolidated results of the Group for the corresponding period in 2018 as follows:

	<i>Notes</i>	From 1 April 2019 to 30 June 2019 (unaudited) RMB’000	From 1 April 2018 to 30 June 2018 (unaudited) RMB’000 (Restated)
Revenue	2	25,758	921
Cost of sales		(21,793)	(606)
Gross profit		3,965	315
Other revenue – bank interest income	2	3	9
Selling expenses		(590)	(692)
Change in fair value of financial assets at fair value through profit or loss	3	(301)	(960)
Change in fair value of financial derivative liabilities		132	3
Administrative expenses		(5,955)	(7,704)
Finance costs	4	(980)	(1,383)
Loss before taxation	3	(3,726)	(10,412)
Income tax expense	5	(341)	(2,828)
Loss for the period		(4,067)	(13,240)
Total comprehensive expense for the period		(4,067)	(13,240)
(Loss) Profit for the period attributable to:			
Owners of the Company		(5,501)	(13,294)
Non-controlling interests		1,434	54
		(4,067)	(13,240)
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(5,501)	(13,294)
Non-controlling interests		1,434	54
		(4,067)	(13,240)
Dividend		–	–
		RMB cents	RMB cents
Loss per share			
– Basic (RMB cents)	6	(0.30 cents)	(0.93 cents)
– Diluted (RMB cents)	6	(0.30 cents)	(0.93 cents)

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

1. BASIS OF PREPARATION

The unaudited consolidated results have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the GEM Listing Rules.

The unaudited consolidated results have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values.

The accounting policies used in preparing the unaudited consolidated results are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2019, except for adoption of new and revised HKFRSs and HKAS issued by the Hong Kong Institute of Certified Public Accountants which are effective to the Group for accounting periods beginning on or after 1 April 2019. The adoption of the new HKFRSs and HKAS has no material impact on the Group’s results and financial position for the current or prior periods.

The consolidated results of the Group for the three months ended 30 June 2019 are unaudited but have been reviewed by the audit committee of the Board (“**Audit Committee**”).

Prior Period Adjustments

During the year ended 31 March 2019, the directors of the Company identified certain errors in the consolidated financial statements in prior years. Therefore, prior period adjustments were made as shown below.

Change in Presentation Currency

As the Group’s major transactions are denominated and settled in RMB, since preparing the Group’s annual financial statements for the year ended 31 March 2019, the Group has changed the currency in which it presents its consolidated financial statements from Hong Kong Dollar (“**HK\$**”) to RMB, in order to better reflect the underlying performance of the Group. A change in presentation currency is a change in accounting policy which is accounted for retrospectively. The consolidated results for the three months ended 30 June 2018 previously reported in HK\$ have therefore been restated into RMB.

The effect of the change in presentation currency and the prior period adjustments are set out below:

		From 1 April 2018 to 30 June 2018 (unaudited) (previously reported) <i>Note</i> <i>HK\$'000</i>	Change into new presentation currency <i>RMB'000</i>	Prior period adjustment <i>RMB'000</i>	From 1 April 2018 to 30 June 2018 (unaudited) (Restated) <i>RMB'000</i>
Revenue		1,119	921	–	921
Cost of sales		(736)	(606)	–	(606)
Gross profit		383	315	–	315
Other revenue		12	9	–	9
Selling expenses		(841)	(692)	–	(692)
Change in fair value of financial assets at fair value through profit or loss	<i>b</i>	(1,264)	(1,040)	80	(960)
Change in fair value of financial derivative liabilities		–	–	3	3
Administrative expenses	<i>b</i>	(4,626)	(3,806)	(3,898)	(7,704)
Finance costs		(1,681)	(1,383)	–	(1,383)
Loss before taxation		(8,017)	(6,597)	(3,815)	(10,412)
Income tax expense		(3,437)	(2,828)	–	(2,828)
Loss for the period		(11,454)	(9,425)	(3,815)	(13,240)
Other comprehensive (expense) income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences arising on translation of financial statements of foreign operations	<i>b</i>	(4,852)	(3,992)	3,992	–
Total comprehensive (expense) income for the period		(16,306)	(13,417)	177	(13,240)
Loss for the period attributable to:					
Owners of the company		(11,520)	(9,479)	(3,815)	(13,294)
Non-controlling interests		66	54	–	54
		(11,454)	(9,425)	(3,815)	(13,240)

	From 1 April 2018 to 30 June 2018 (unaudited) (previously reported) <i>Note</i>	Change into new presentation currency <i>HK\$'000</i>	Prior period adjustment <i>RMB'000</i>	From 1 April 2018 to 30 June 2018 (unaudited) (Restated) <i>RMB'000</i>
Total comprehensive (expense)				
income for				
the period attributable to:				
Owners of the company	(16,260)	(13,471)	177	(13,294)
Non-controlling interests	(46)	54	–	54
	<u>(16,306)</u>	<u>(13,417)</u>	<u>177</u>	<u>(13,240)</u>
	<i>HK cents</i>	<i>RMB cents</i>	<i>RMB cents</i>	<i>RMB cents</i>
Loss per share				
– Basic	<u>(0.81 cents)</u>	<u>(0.66 cents)</u>	<u>(0.27 cents)</u>	<u>(0.93 cents)</u>
	<i>HK cents</i>	<i>RMB cents</i>	<i>RMB cents</i>	<i>RMB cents</i>
– Diluted	<u>(0.81 cents)</u>	<u>(0.67 cents)</u>	<u>(0.27 cents)</u>	<u>(0.93 cents)</u>

Notes:

a. Change in accounting treatment following the change in functional currency

During the year ended 31 March 2019, the directors of the Company identified an error in determining the functional currency of the Company. In prior years, the Group operated in both Hong Kong and the People's Republic of China ("PRC") and had determined Hong Kong dollar ("HK\$") as functional currency of the Company. Starting from the year ended 31 March 2011, whereby at that time the Company was principally engaged as an investment holding company primarily holding subsidiaries with primary economic environment in the PRC, as such, the functional currency of the Company for the year ended 31 March 2011 should be RMB instead of HK\$.

b. Impact on change in functional currency

The amounts represent the exchange impact for the correction of functional currency as detailed in note a.

2. REVENUE AND OTHER REVENUE

During the three months ended 30 June 2019, the Group was principally engaged in (i) sales of solar power related products; (ii) new energy power system integration business; (iii) sales of self-service ATM systems and printing systems; and (iv) provision of hardware and software technical support services in the PRC.

Revenues recognised during the reporting period are as follows:–

	From 1 April 2019 to 30 June 2019 <i>RMB'000</i>	From 1 April 2018 to 30 June 2018 (Restated) <i>RMB'000</i>
Revenue		
Sales of solar power related products	25,758	921
New energy power system integration business	–	–
Sales of self-service ATM systems and printing systems	–	–
Provision of hardware and software technical support services	–	–
	<u>25,758</u>	<u>921</u>
Other revenue		
Bank interest income	3	9
	<u>3</u>	<u>9</u>
Total revenue	<u>25,761</u>	<u>930</u>

3. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging and crediting:

	1 April 2019 to 30 June 2019 <i>RMB'000</i>	1 April 2018 to 30 June 2018 (Restated) <i>RMB'000</i>
Cost of inventories	21,793	606
Depreciation	8	54
Change in fair value of financial assets at fair value through profit or loss	301	960
Equity-settled share-based payments	–	2,070
	<u>–</u>	<u>2,070</u>

4. FINANCE COSTS

	1 April 2019 to 30 June 2019	1 April 2018 to 30 June 2018 (Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Effective interest on convertible bonds	971	894
Interest on other loan	9	489
	<u>980</u>	<u>1,383</u>

5. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the subsidiaries operating in Hong Kong during the three months ended 30 June 2019 (2018: nil).

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

Under the Law of the PRC on Enterprise Income Tax (“**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the three months ended 30 June 2018 and for the three months ended 30 June 2019, except for certain subsidiaries of the Group in the PRC are under the Western China Development Plan, and were approved to enjoy the preferential tax rate of 15% in accordance with the EIT Law and relevant regulations until 2020.

	1 April 2019 to 30 June 2019	1 April 2018 to 30 June 2018 (Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax:		
– Hong Kong Profits tax	–	–
– PRC Enterprise Income Tax	341	2,828
Income Tax	<u>341</u>	<u>2,828</u>

6. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	From 1 April 2019 to 30 June 2019 <i>RMB'000</i>	From 1 April 2018 to 30 June 2018 (Restated) <i>RMB'000</i>
Loss		
Loss for the period attributable to the owners of the Company	<u>(5,501)</u>	<u>(13,294)</u>
	From 1 April 2019 to 30 June 2019	From 1 April 2018 to 30 June 2018
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,835,232,850</u>	<u>1,430,012,850</u>
Effect of dilution-weighted average number of ordinary shares: Share option scheme	<u>–</u>	<u>(6,724,798)</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>1,835,232,850</u>	<u>1,423,288,052</u>
	<i>RMB cents</i>	<i>RMB cents</i>
Basic loss per share	<u>(0.30 cents)</u>	<u>(0.93 cents)</u>
Diluted loss per share	<u>(0.30 cents)</u>	<u>(0.93 cents)</u>

Outstanding convertible bonds of the Company are anti-dilutive since their exercise or conversion would result in a decrease in basic loss per share for the three months ended 30 June 2018 and 30 June 2019.

QUARTERLY DIVIDEND

The Board does not recommend the payment of quarterly dividend for the three months ended 30 June 2019 (2018: Nil).

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Share premium	Reserve arising from reorganisation	Exchange reserve	Share options reserve	Accumulated losses		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 April 2018 (restated)	117,718	123,342	(20,484)	156	–	(178,863)	41,869	52,249
(Loss) profit for the period	–	–	–	–	–	(13,294)	54	(13,240)
Total comprehensive (expense) income for the period	–	–	–	–	–	(13,294)	54	(13,240)
Recognition of equity-settled share-based payments	–	–	–	–	2,070	–	–	2,070
At 30 June 2018	<u>117,718</u>	<u>123,342</u>	<u>(20,484)</u>	<u>156</u>	<u>2,070</u>	<u>(192,157)</u>	<u>10,434</u>	<u>41,079</u>
At 1 April 2019	<u>153,135</u>	<u>126,912</u>	<u>(20,484)</u>	<u>156</u>	–	(232,392)	12,634	39,961
(Loss) profit for the period	–	–	–	–	–	(5,501)	1,434	(4,067)
Total comprehensive (expense) income for the period	–	–	–	–	–	(5,501)	1,434	(4,067)
At 30 June 2019	<u>153,135</u>	<u>126,912</u>	<u>(20,484)</u>	<u>156</u>	<u>–</u>	<u>(237,893)</u>	<u>14,068</u>	<u>35,894</u>

Note:

Reserve arising from reorganisation

The reserve arising from reorganisation of approximately RMB20,484,000 represents the difference between the nominal value of the share capital of subsidiaries acquired and the cost of investments in these subsidiaries incurred by the Company in exchange thereof, and has been debited to the reserve of the Group.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules are as follows:

(A) DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY

Name of Directors/ Chief executive	Capacity	Number and class of securities (Note 1)	Approximate percentage of the Company's issued share capital as at 30 June 2019 (Note 2)
Mr. Chiu Tung Ping (Executive Director)	Interest in a controlled corporation (Note 3)	217,766,038 ordinary shares (L)	11.87%
Ms. Yuen Hing Lan (Executive Director)	Interest of spouse (Note 3)	217,766,038 ordinary shares (L)	11.87%
Mr. Hou Hsiao Bing (Executive Director)	Beneficial owner	131,140,000 ordinary shares (L)	7.15%

Notes:

1. The letter "L" represents long positions in the shares or underlying shares of the Company.
2. As at 30 June 2019, the issued share capital of the Company was 1,835,232,850 ordinary shares of HK\$0.1 each.
3. Mr. Chiu Tung Ping and Ms. Yuen Hing Lan held 70% and 30% interest in the entire issued share capital of Good Million Investments Limited. Ms. Yuen Hing Lan is the spouse of Mr. Chiu Tung Ping, and hence both Mr. Chiu Tung Ping and Ms. Yuen Hing Lan were deemed to be interested in all the shares of the Company held by Good Million Investments Limited.

**(B) DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS/SHORT POSITIONS
IN THE SHARE CAPITAL OF THE COMPANY'S ASSOCIATED
CORPORATIONS**

Name of Director	Name of associated corporation	Number and class of securities	Capacity	Approximate percentage of the issued share capital of the associated corporation
Mr. Hou Hsiao Bing <i>(Executive Director)</i>	Truth Honour Electronic Limited	3,000,000 non-voting deferred shares	Beneficial owner	100% of the non-voting deferred shares
Mr. Hou Hsiao Bing <i>(Executive Director)</i>	Soluteck Investments Limited	500,000 non-voting deferred shares	Beneficial owner	100% of the non-voting deferred shares

Truth Honour Electronic Limited and Soluteck Investments Limited are subsidiaries of the Company and are thus associated corporations of the Company.

Save as disclosed above, as at 30 June 2019, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2019, the following persons or entities, other than a Director or chief executive of the Company, had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Number of ordinary shares (Note 1)	Capacity	Approximate percentage of the Company's issued share capital as at 30 June 2019 (Note 2)
Good Million Investments Limited	217,766,038 (L) (Note 3)	Beneficial owner (Note 3)	11.87%
Creation Moral Limited	216,363,636 (L)	Beneficial owner (Note 4)	11.79%
Ms. Sun Aihui	216,363,636 (L)	Interest in a controlled corporation (Note 4)	11.79%

Notes:

1. The letter "L" represents long position in the shares or underlying shares of the Company.
2. As at 30 June 2019, the issued share capital of the Company was 1,835,232,850 ordinary shares of HK\$0.1 each.
3. Mr. Chiu Tung Ping and Ms. Yuen Hing Lan, both being executive Directors, held 70% and 30% interest in the entire issued share capital of Good Million Investments Limited.
4. Ms. Sun Aihui held 100% interest in the entire issued share capital of Creation Moral Limited. Hence, Ms. Sun Aihui was deemed to be interested in the shares of the Company held by Creation Moral Limited.

Save as disclosed above, as at 30 June 2019, no person or entity, other than a Director or chief executive of the Company, had an interest or a short position in the shares and underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO.

AUDIT COMMITTEE

The Audit Committee was formed on 13 December 2000. The written terms of reference (revised in December 2018) which describe the authority and duties of the Audit Committee were prepared and adopted with reference to “A Guide for Effective Audit Committee” published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee provides an important link between the Board and the Company’s auditors in matters coming within the scope of the Group’s audit. It also reviews the effectiveness of both the external and internal audit and of the risk management and internal control systems of the Group. As at the date of this announcement, the Audit Committee comprises of three independent non-executive Directors, namely Ms. Ma Xingqin, Mr. Meng Xianglin and Mr. Dong Guangwu. The unaudited consolidated results of the Group for the three months ended 30 June 2019 have been reviewed and approved by the Audit Committee.

DIRECTORS’ COMPETING INTEREST OR BUSINESS

During the three months ended 30 June 2019, none of the Directors or his/her close associates had any interest or business which competes or may compete with the business of the Group.

The Company did not have any controlling shareholder during the three months ended 30 June 2019.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the shares of the Company during the three months ended 30 June 2019.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the three months ended 30 June 2019.

On behalf of the Board
China Technology Solar Power Holdings Limited
Chiu Tung Ping
Chairman and executive Director

Hong Kong, 12 August 2019

As at the date of this announcement, the Board comprises of the following Directors:

Executive Directors:

Chiu Tung Ping (*Chairman*)

Yuen Hing Lan

Hou Hsiao Bing

Hu Xin

Tse Man Kit Keith

Independent non-executive Directors:

Ma Xingqin

Meng Xianglin

Dong Guangwu

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.chinatechsolar.com.