Trony Solar Holdings Company Limited
創益太陽能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(stock code: 2468)

ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2012

The board (the "**Board**") of Directors (the "**Directors**") of Trony Solar Holdings Company Limited (the "**Company**") announces the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 30 June 2012. These results have been reviewed by the Company's Audit Committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2012

	Notes	2012 RMB'000	2011 RMB'000
Revenue	4	**141,788**	1,961,582
Cost of sales		**(113,992)**	(1,123,605)
Gross profit		**27,796**	837,977
Other income	5	**9,146**	9,997
Selling and distribution expenses		**(12,042)**	(7,427)
Administrative and other operating expenses		**(121,266)**	(130,689)
(Loss)/profit from operations		**(96,366)**	709,858
Impairment losses on various assets	9	**(2,573,865)**	–
Reversal of unreconciled discrepancies various liabilities	9	**76,155**	–
Finance costs	7	**(5,825)**	(34,972)
(Loss)/profit before tax		**(2,599,901)**	674,886
Income tax	8	**4,185**	(130,898)
(Loss)/profit for the year	9	**(2,595,716)**	543,988
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(607)**	–
Total comprehensive loss for the year		**(607)**	–
Total comprehensive (loss)/income for the year attributable to the owners of the Company		**(2,596,323)**	543,988
(Loss)/earning per share	11		
Basic *(RMB per share)*		**(1.64)**	0.37
Diluted *(RMB per share)*		**(1.64)**	0.37

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2012

	Notes	2012 RMB'000	2011 RMB'000
Non-current assets			
Property, plant and equipment		**287,408**	1,498,031
Prepaid land lease payments		**10,914**	6,166
Deferred tax assets		**–**	9,825
Deposits for purchase of property, plant and equipment		**–**	399,733
Restricted bank deposits		**–**	32,358
		298,322	1,946,113
Current assets			
Inventories		**55,819**	43,742
Trade and bills receivables	*12*	**26,875**	355,026
Other receivables and prepayments		**29,114**	77,985
Prepaid land lease payments		**260**	143
Amount due from a director		**4**	171
Amount due from a related party		**–**	36
Restricted bank deposits		**–**	9,155
Bank and cash balances		**500,339**	1,000,247
		612,411	1,486,505
Current liabilities			
Trade and other payables	*13*	**370,366**	178,905
Tax payables		**–**	41,407
Bank borrowings		**51,100**	17,400
		421,466	237,712

	Notes	2012 *RMB'000*	2011 *RMB'000*
Net current assets		**190,945**	1,248,793
Total assets less current liabilities		**489,267**	3,194,906
Non-current liabilities			
Bank borrowings		**27,925**	62,770
Warranty provision		**–**	3,903
Government grants		**–**	15,720
Deferred tax liabilities		**–**	15,000
		27,925	97,393
NET ASSETS		**461,342**	3,097,513
Capital and reserves			
Share capital	*14*	**1,000**	1,001
Reserve		**460,342**	3,096,512
TOTAL EQUITY		**461,342**	3,097,513

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Trony Solar Holdings Company Limited (the "Company") was incorporated in the Cayman Islands on 23 June 2006 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands. The address of the Company's principal place of business was Unit 713, 7/F, Lakeside 1, 8 Science Park Avenue West, Hong Kong Science Park, Shatin, New Territories during the year ended 30 June 2012. Subsequent to the end of the reporting period, its principal place of business has been changed to Room 1001, 10/F., OfficePlus, No. 93-103 Wing Lok Street, Sheung Wan, Hong Kong on 19 September 2014 and Room 1502, 15th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central on 16 September 2015 respectively. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading since 21 June 2012.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively "the Group") are development, manufacture and sale of solar products.

2 BASIS OF PREPARATION

Suspension of trading in shares of the Company

Reference is made to the Company's announcement dated 11 October 2012. The Company's predecessor auditor, Deloitte Touche Tohmatsu, who has subsequently resigned as the auditor of the Company with effect from 7 February 2015, had received various anonymous emails in March 2012 and an anonymous letter on 20 April 2012 which contained certain allegations against the Company regarding several possible financial discrepancies (the "Potential Financial Discrepancies") in respect of the financial records of the Group (collectively the "Allegations").

In response to the Allegations, an Independent Review Committee (the "IRC") comprising the three independent non-executive directors of the Company was established on 21 May 2012 by the board of the directors of the Company (the "Board") to conduct an inquiry into the Allegations concerned and the Company appointed an independent external law firm in the Mainland China, namely Guangdong SZGoldenBull Law Firm as its legal advisor in the People's Republic of China (the "PRC") to assist the Company in conducting the inquiry of the Allegations. At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 21 June 2012.

On 20 July 2012, the Company also appointed King & Wood Mallesons ("KWM") as the Company's legal adviser as to Hong Long Law in respect to the matters relating to the Allegations. PricewaterhouseCoopers Consulting Hong Kong Limited ("PwC") was subsequently appointed on 19 September 2012 as an independent professional adviser to assist the IRC to carry out a forensic review (the "Forensic Review") of the Allegations and report the respective findings for KWM to advise the IRC particularly on the Potential Financial Discrepancies from a legal perspective.

For the period from March to October 2012, there were several changes in the directors of the Company and senior management of the Group including (i) resignation of finance director of Shenzhen Trony Science and Technology Development Co., Ltd, a wholly-owned subsidiary and a major operating unit of the Company with effect from 1 March 2012; (ii) retirement of the vice president of production of the Group with effect from 6 March 2012; (iii) resignation of an executive director (also as an executive vice president) of the Company with effect from 21 August 2012; (iv) resignation of the chief financial officer of the Group with effect from 22 August 2012; (v) appointment of a new chief financial officer on 21 August 2012; (vi) resignation of a non-executive director of the Company on 4 September 2012, and (vii) appointment of a new executive director (the "New Executive Director") on 3 October 2012.

On 3 October 2012, the Company received a letter from the Stock Exchange detailing the resumption conditions imposed on the Company as follows:

(i) Engage a professional firm to conduct a forensic review and investigation over the Potential Financial Discrepancies, the allegations enclosed in the anonymous letters and the issues raised in the legal advisors report from Guangdong SZGoldenBull Law Firm;

(ii) Inform the market of all information that is necessary to appraise the Company's position, including their implications to the Company's assets, financial and operational position;

(iii) Publish all outstanding financial results and reports, and address any concerns raised by the Company's auditors through qualifications in their audit report or otherwise;

(iv) Demonstrate that there are no significant deficiencies in the Company's corporate governance, and that the Company has put in place adequate financial reporting procedures and internal control systems to meet obligations under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"); and

(v) Demonstrate that, in light of the recent resignations of the Company's directors and senior management members, the Company has adequate resources (in particular senior level staff with appropriate qualifications and experience) to safeguard the Company's assets and to meet obligations under the Listing Rules.

The Company should also comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before the resumption of its share trading. The Stock Exchange may modify any of the above and/or impose further conditions at its discretion.

On 7 February 2013, the Company's three independent non-executive directors had resigned from the position and the IRC became vacant. With this regard, the New Executive Director had been appointed as the only member of the IRC with effect from 15 March 2013. On 15 May 2013, another three independent non-executive directors have been appointed to fill in the vacancies of members of the audit committee, remuneration committee, nomination committee and the IRC of the Company. Subsequently, on 1 September 2015, the New Executive Director has resigned from the position.

With reference to the Company's announcement dated 12 December 2014, PwC completed the fieldwork of the Forensic Review in respect of the Allegations, particularly the Potential Financial Discrepancies, on 31 July 2013 and a summary of the findings of the Forensic Review was finalised and issued by PwC to KWM on 6 November 2014 (the "Forensic Review Summary"). Based on the results of the Forensic Review, PwC were unable to conclude the Allegations due to various limitations in obtaining relevant and sufficient supporting documents and evidences, and most of the relevant key management were not available for PwC's interviews. PwC had not been able to identify any linkage from the supporting documents to the Company's previous audited financial statements. Due to the lack of supporting documents/information or other factors set out in the summary of the findings of the Forensic Review, the IRC was not in a position to draw any conclusion as to the completeness or accuracy of the financial data and concludes that those limitations are incapable of being resolved in their totality and thus it is unlikely that further investigation would arrive at any satisfactory findings.

The Forensic Review Summary has been considered and accepted by the IRC and the Board respectively. For further details of scope the Forensic Review, a summary of findings, limitations and preliminary views of the IRC and the Board, please refer to the Company's announcement dated 12 December 2014. The Board accepted and concurred with the views of the IRC that auditing of the Group's outstanding financial statements should be commenced as soon as possible and an independent internal control expert should be engaged to conduct an overall review of the internal control and financial reporting system of the Group. Upon finalisation of the Forensic Review, the Company also appointed PKF Consulting Inc. to undertake a review of the internal control system of the Group to strengthen its internal control and financial reporting systems of the Group. The Company is also in the process of preparing to fulfill all the required resumption conditions in relation to the application for the resumption of trading in the shares of the Company.

Going concern

The Group incurred a loss of approximately RMB2,595,716,000 for the year ended 30 June 2012 and has sustained significant continuing losses for the immediately next three financial years ended 30 June 2015 and net current liabilities in the consolidated statements of financial position of the Group as at 30 June 2013, 2014 and 2015. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors are confident that the Group would have sufficient working capital for the Group to meet its liabilities as they fall due and for its operation, and in the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 July 2011. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

4 REVENUE

The Group's revenue is analysed as follows:

	2012	2011
	RMB'000	*RMB'000*
Sales of goods	**141,788**	1,961,582

5 OTHER INCOME

	2012	2011
	RMB'000	*RMB'000*
Government grants	**2,810**	5,338
Interest income	**6,026**	4,659
Others	**310**	–
	9,146	9,997

6 SEGMENT INFORMATION

The Group has only one reportable operating segment for financial reporting purposes, reported as the manufacture and sale of solar products.

Geographical information:

	2012	2011
	RMB'000	*RMB'000*
Revenue:		
The PRC	**138,575**	1,737,520
Hong Kong	**–**	108,560
Thailand	**–**	60,253
Vietnam	**–**	53,153
Others	**3,213**	2,096
	141,788	1,961,582

In presenting the geographical information, revenue is based on the locations of the customers. At the end of the reporting period, all non-current assets of the Group were located in the PRC.

7 FINANCE COSTS

	2012	2011
	RMB'000	*RMB'000*
Interest on bank borrowings wholly repayable within five years	**5,825**	5,404
Imputed interest expense on non-current interest-free loan from a related party	**–**	22,962
Effective interest expense on loan from a shareholder	**–**	8,663
	5,825	37,029
Less: amounts capitalised	**–**	(2,057)
	5,825	34,972

8 INCOME TAX

	2012	2011
	RMB'000	*RMB'000*
Current tax:		
– Provision for the PRC enterprise income tax	**990**	121,156
Deferred tax	**(5,175)**	9,742
	(4,185)	130,898

No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2012 as the Group did not generate any assessable profits arising in Hong Kong during that year. Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax and the loss before tax are as follows:

	2012	2011
	RMB'000	*RMB'000*
(Loss)/profit before tax	**(2,599,901)**	674,886
Notional tax on profit before tax calculated at the PRC statutory rate	**(649,975)**	168,722
Effect of different tax rates in other tax jurisdictions	**22,387**	–
Tax effect of non-deductible expenses	**661,290**	26,909
Tax effect of tax losses not recognized	**9,266**	–
Tax effect of non-taxable income	**(32,153)**	(1,056)
Deferred tax on distributable earnings of PRC subsidiary	**(15,000)**	15,000
Effect of income under tax holidays and tax concessions	**–**	(77,830)
Others	**–**	(847)
Income tax for the year	**(4,185)**	130,898

9 (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the following:

	2012	2011
	RMB'000	*RMB'000*
Auditor's remuneration	**1,635**	2,753
Cost of inventories sold	**113,992**	1,123,605
Depreciation	**16,464**	85,120
Amortisation of prepaid lease payments	**260**	143
Loss on disposals of property, plant and equipment	**7,007**	32
Net foreign exchange losses	**10,526**	17,657
Impairment losses on various assets:		
Inventories	**37,957**	–
Prepayments, deposits and other receivables	**552,210**	–
Property, plant and equipment	**1,191,045**	–
Trade receivables	**351,407**	–
Restricted bank deposits	**41,513**	–
Deposits for purchase of property, plant and equipment	**399,733**	–
	2,573,865	–
Reversal of unreconciled discrepancies on various liabilities:		
Government grants	**(15,720)**	–
Tax payable	**(40,993)**	–
Trade and other payables	**(15,539)**	–
Warranty provision	**(3,903)**	–
	(76,155)	–
Staff costs (including directors' remuneration):		
Salaries, bonus and allowances	**52,877**	53,678
Equity-settled share-based payments	**26,345**	33,884
Retirement benefits scheme contributions	**4,847**	4,413
	84,069	91,975

10 DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 June 2012 (2011: a final dividend of HK5 cents per share).

11 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic (loss)/profit per share attributable to owners of the Company is based on the loss for year attributable to owners of the Company of approximately RMB2,595,716,000 (2011: a profit approximately RMB543,988,000) and the weighted average number of approximately 1,584,841,000 (2011: 1,471,877,000) ordinary shares in issue during the year.

Diluted (loss)/earnings per share

The effects of all potential ordinary shares are anti-dilutive for the year ended 30 June 2012.

The calculation of diluted earnings per share attributable to owners of the Company for the year ended 30 June 2011 is based on the profit for the year attributable to owners of the Company of approximately RMB543,988,000 and the weighted average number of approximately 1,474,564,000 ordinary shares.

12 TRADE AND BILLS RECEIVABLES

The Group allows an average credit period of 60 to 120 days to its trade customers. The following is the aging analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period.

	2012	2011
	RMB'000	*RMB'000*
60 days or less	**8,679**	347,771
61 to 120 days	**4,827**	5,322
121 to 180 days	**6,030**	602
Over 180 days	**7,339**	1,331
	26,875	355,026

Trade and bills receivables that are not impaired

The aging analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

	2012	2011
	RMB'000	*RMB'000*
Neither past due nor impaired	**8,679**	353,093
Less than 90 days past due	**4,827**	602
Over 90 days past due	**13,369**	1,331
	26,875	355,026

13 TRADE AND OTHER PAYABLES

	2012	2011
	RMB'000	*RMB'000*
Trade payables	**253,630**	107,164
Bills payables	**14,916**	10,297
	268,546	117,461
Payables on acquisition of property, plant and equipment	**–**	2,946
Accrued expenses	**2,730**	10,464
Salaries and staff welfare payables	**735**	5,871
Government grants	**–**	26,850
Receipts in advance	**96,787**	11,536
Others	**1,568**	3,777
	370,366	178,905

Bills payables represent bank drafts that are non-interest bearing and due within six months. Such bank drafts have been arranged with third-party financial institutions to settle the purchases of inventory.

The credit period granted by suppliers to the Group ranged from 90 to 180 days. The aging analysis of trade and bills payables, based on the date of receipts of goods, is as follows:

	2012	2011
	RMB'000	*RMB'000*
90 days or less	**49,965**	111,531
91 to 180 days	**8,706**	4,810
Over 180 days	**209,875**	1,120
	268,546	117,461

14 SHARE CAPITAL

	Number of shares	Amount *US$*
Authorised:		
Ordinary shares at US$0.0001 each		
At 1 July 2010	482,350,000	48,235
Addition	4,500,000,000	450,000
Conversion of Series B Preferred Shares	17,650,000	1,765
At 30 June 2011 and 30 June 2012	5,000,000,000	500,000

	Number of shares	Amount *US$*	Shown in the consolidated financial statements as *RMB'000*
Issued and fully paid:			
Ordinary shares at US$0.0001 each			
At 1 July 2010	100,000,000	1,000	8
Issuance of restricted shares	554,678	55	–
Conversion of Series B Preferred Shares	17,650,000	1,765	12
Capitalisation issue	1,063,842,111	106,384	711
Issuance of new shares upon initial public offering	402,750,000	40,275	269
Share options exercised	1,386,697	139	1
At 30 June 2011 and 1 July 2011	1,586,183,486	149,618	1,001
Shares repurchased and cancelled *(note)*	(1,500,000)	(150)	(1)
At 30 June 2012	1,584,683,486	149,468	1,000

Notes:

During the year ended 30 June 2012, the Company repurchased a total of 1,500,000 ordinary shares of the net repurchase costs (after deduction of the related transaction costs) amounted to approximately HK$3,442,000 (approximately RMB2,813,000). The ordinary shares were cancelled upon repurchase.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The auditor of the Company has expressed qualified opinion on the Company's consolidated financial statements of the Group for the year ended 30 June 2012, an extract of which is as follows:

Basis for disclaimer of opinion

1. Opening balances and corresponding figures

The consolidated financial statements of the Group for the year ended 30 June 2011 which form the basis for the corresponding figures presented in the current year's consolidated financial statements were not audited by us. There were no satisfactory audit procedures for us to ascertain the existence, accuracy, presentation and completeness of the opening balances, corresponding figures and other related disclosures shown in the current year's consolidated financial statements.

2. Unreconciled discrepancies in accounting books and records

Further background is made in note 2 to the consolidated financial statements (or this announcement) under the heading of "Suspension of trading in the shares of the Company". Due to the unreconciled discrepancies in accounting books and records, no sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the transactions of the Group for the year ended 30 June 2012 as follows:

	RMB'000
Impairment losses on various assets	**(1,628,423)**
Reversal of unreconciled discrepancies on various liabilities	**76,155**
	(1,552,268)

3. *Limited accounting books and records of certain subsidiaries*

Further background is made in note 2 to the consolidated financial statements (or this announcement) under the heading of "Suspension of trading in the shares of the Company". Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of the Company's certain subsidiaries (collectively "these Subsidiaries") for the year ended 30 June 2012, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the year ended 30 June 2012 and the assets and liabilities as at that date, and the related disclosure notes in relation to these Subsidiaries, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements:

	For the year ended 30 June 2012 *RMB'000*
Income and expenses:	
Revenue	**141,788**
Cost of goods sold	**(113,992)**
Gross profit	**27,796**
Other income	**3,114**
Selling and distribution expenses	**(12,042)**
Administrative expenses	**(63,265)**
Impairment losses on various assets	**(945,442)**
Finance costs	**(9)**
Loss before tax	**(989,848)**
Income tax	**4,185**
Loss for the year	**(985,663)**

	As at 30 June 2012 *RMB'000*
Assets and liabilities:	
Inventories	**55,819**
Trade and bills receivables	**26,875**
Prepayments, deposits and other receivables	**28,880**
Cash balances	**619**
Trade and other payables	**(367,303)**
Net liabilities	**(255,110)**

4. Property, plant and equipment

No sufficient evidence has been provided to satisfy ourselves whether the carrying amount of property, plant and equipment amounted to approximately RMB287,408,000 as at 30 June 2012 are fairly stated.

5. Bank and cash balances

No direct confirmation and other sufficient evidence has been received to satisfy ourselves whether the bank and cash balances of approximately RMB72,698,000 as included in the consolidated statement of financial position as at 30 June 2012 are fairly stated.

6. Share-based payment reserve

No sufficient evidence has been provided to satisfy ourselves as to the accuracy and completeness of the transfer of share-based payment reserve of approximately RMB10,199,000 for the year ended 30 June 2012 and the related disclosures of share options in relation to an executive officer who left the Group during the year ended 30 June 2012.

7. Commitments and contingent liabilities

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 30 June 2012.

8. Related party transactions and balances

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of the related party transactions for the year ended 30 June 2012 and the balances as at that date as required by Hong Kong Accounting Standard 24 (Revised) "Related Party Disclosures".

9. Other disclosures in the consolidated financial statements

No sufficient evidence has been provided to satisfy ourselves as to the accuracy and completeness of the disclosures in relation to the pledge information of borrowings as at 30 June 2012 as disclosed in notes 16 and 23 to the consolidated financial statements.

Any adjustments to the figures as described from points 1 to 9 above might have a significant consequential effect on the Group's results and cash flows for the two years ended 30 June 2012 and 2011 and the financial positions of the Group as at 30 June 2012 and 2011, and the related disclosures thereof in the consolidated financial statements.

Material uncertainty relating to the going concern basis

The disclosures in note 2 to the consolidated financial statements (or this announcement) indicates the Group incurred a loss for the year of approximately RMB2,595,716,000 for the year ended 30 June 2012 and has sustained significant continuing losses for the immediately next three financial years ended 30 June 2015 and net current liabilities in the consolidated statements of financial position of the Group as at 30 June 2013, 2014 and 2015. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of the extent of the uncertainty relating to the future working capital sufficiency of the Group, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Disclaimer of opinion

Because of the significance of the matters as described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CHAIRMAN'S STATEMENT

To Shareholders and Stakeholders,

2012 was a tough and challenging year for the Group. The market conditions of global solar sector overturned, of which, Q-Cells, the world's largest photovoltaic cells manufacturer, filed its bankruptcy in April 2012, and prior to this, SOLON SE, Solar Millennium AG and Solarhybrid AG also filed their bankruptcy. Wuxi Suntech, the local photovoltaic enterprise was also having losses and aborted its production due to tight money supply chain as a result of worsened market situation. During this period, some staffs under the Group and its subordinate enterprises were resigned not under normal procedures, and the Group also found out that the business and financial information and records of the Group and related operating enterprises were missing. There was a significant decrease in the purchase orders of high power and light intensive photovoltaic cells panels, and plant equipment was seriously insufficient to operate. The Group incurred substantial losses and material data differences in its financial information were found.

In response to the irregularities and to protect the interests of shareholders and creditors, the Group undertook a series of measures including but not limited to applying for suspension in trading the Company's Shares, re-constructed the management and business teams, intended to acquire enterprises and teams with industry leading technology advantages, so as to strengthen the competitiveness of the Group. The Group experienced difficulties in resuming its business operations as more efforts and resources were spent in exploring business acquisition, new teams re-construction, and business relationship development by new teams. As a result, both the business volume and business recovery were slower than expected.

It is expected that the market environment next year may deteriorate further. In view of these challenges, the Group adopts a prudent business strategy in maintaining its businesses with competitiveness, closing down loss-making businesses, and proceeds steadily. We will also enhance internal control while adjusting our business, and will take an independent and open approach in investigating the data differences issue.

MANAGEMENT DISCUSSION AND ANALYSIS

2012 was an extremely difficult year for global photovoltaic industry, in which the Group also experienced great challenges! During this year, not only was the Group under tremendous pressure from various external adverse environmental factors, but it also experienced the hardship of internal unrest. However, with our colleagues working together and jointly with dedication, we were able to maintain and continue the businesses operation of the Group.

The result of the Group in this financial year recorded a significant decrease as compared with last financial year. For the year ended 30 June 2012, the revenue recorded was only RMB141,788,000, cost of sales RMB113,992,000, net loss of RMB2,595,716,000. Of which, the write-offs of assets and liabilities was RMB2,573,865,000 and RMB76,155,000 respectively. For details, please refer to the "Financial Review" section below.

FINANCIAL REVIEW

For 2012 financial year: revenue was RMB141,788,000, cost of sales was RMB113,992,000, net loss was RMB2,595,716,000. Of which, it included various write-offs: the write-offs of property, plant and equipment of RMB1,191,045,000, the write-offs of trade receivables of RMB351,407,000, the write-offs of inventories of RMB37,957,000, the write-offs of prepayments, deposits and other receivables of RMB552,210,000, a total of RMB2,573,865,000.

1. The revenue for 2012 financial year was RMB141,788,000, representing a decrease of RMB1,819,794,000 as compared to RMB1,961,582,000 in 2011.

   The decease of revenue was mainly attributable to order decrease. The sales for 2012 financial year mainly comprised: RMB52,570,000 for low light cells, RMB33,490,000 for yard lamps cells, RMB43,290,000 for solar cell modules, RMB4,280,000 for solar curtain walls, RMB4,390,000 for solar power systems and RMB3,768,000 for other sales.

2. The cost of sales for 2012 financial year was RMB113,992,000, representing a decrease of RMB1,009,613,000 as compared to RMB1,123,605,000 in 2011.

   Primary causes of change: costs of sales were decreased accordingly due to reduction in sales.

3. The gross profit for 2012 financial year was RMB27,796,000, representing a decrease of RMB810,181,000 as compared to RMB837,977,000 in 2011.

   Primary causes of change: the reduction in sales had larger original fixed costs which caused a substantial decrease in gross profit.

4. The selling and distribution expenses for 2012 financial year were RMB12,042,000, representing an increase of RMB4,615,000 as compared to RMB7,427,000 in 2011.

   Primary causes of change: the reduction in sales which led to more market promotion and more market price concession for increasing sales volume.

5. The administration expenses for 2012 financial year were RMB121,266,000, representing an increase of RMB9,423,000 as compared to RMB130,689,000 in 2011.

   Primary causes of change: the increase of the professional fees.

6. The net loss for 2012 financial year was RMB2,595,716,000, representing an increase of RMB3,139,704,000 as compared to a profit of RMB543,988,000 in 2011.

   Primary causes of change: the adjustment of the write-offs of assets and liabilities for the previous years of RMB2,497,710,000.

7. The property, plant and equipment for 2012 financial year were RMB287,408,000, representing a decrease of RMB1,210,623,000 as compared to RMB1,498,031,000 in 2011.

   Primary causes of change: the depreciation and the adjustment in previous years, of which the adjustment in the previous years was RMB1,191,045,000.

8. The trade and bills receivables for 2012 financial year were RMB26,875,000, representing a decrease of RMB328,151,000 as compared to RMB355,026,000 in 2011, of which the write-off of bad debts was RMB351,407,000.

9. The loan guarantee for 2012 financial year was RMB41,510,000 which has been written off, with the balance unfrozen.

10. Cash and bank deposits for 2012 financial year were RMB500,339,000, representing a decrease of RMB499,908,000 as compared to RMB1,000,247,000 in 2011.

    Primary causes of change: the losses in the current year and the adjustment of the profit and loss for the previous years.

HUMAN RESOURCES

As at 30 June 2012, the Group had 701 employees (2011: 906). The current remuneration for the employees includes basic salary, discretionary bonus and social security funds. The employees' remuneration is commensurate with their duty, performance and contribution.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 30 June 2012, the Company repurchased 1,500,000 shares of US$0.0001 each in the capital of the Company of prices ranging from HK$1.90 to HK$2.38 per share on the Stock Exchange. Details of the repurchases are as follows:

Month/Year	**Number of shares repurchased**	**Purchase price per share**		**Aggregate purchase consideration (excluding expenses)**
		Highest	**Lowest**	
		HKD	*HKD*	*HKD*
August 2011	1,500,000	2.38	1.90	3,360,930.00

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code ("**Model Code**") for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code for the year ended 30 June 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Group acknowledges the need and importance of corporate governance as one of the key elements in enhancing shareholders' value. The Group is committed to improving its corporate governance practices in compliance with regulatory requirements and in accordance with international recommended practices. The Company has adopted the code provisions of the Code on Corporate Governance Practices (the "**Former CG Code**") contained in Appendix 14 to the Listing Rules, which came into effect on 1 January 2005 and was revised and renamed as Corporate Governance Code and Corporate Governance Report (the "**New CG Code**") with effect from 1 April 2012. The existing Board has reviewed the Company's corporate governance practices for the financial year under review, and has formed the opinion that the Company was in compliance with the code provisions set out in the Former CG Code and the New CG Code except for the following: –

Under code provision A.2.1 of the Former CG Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Li Yi, Chairman of the Company, was also the chief executive officer of the Company. The Board believed that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believed that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Under code provision C.2 of the Former CG Code, the board should ensure that the company maintains a sound and effective controls to safeguard the shareholder's investment and the company's assets, and should at least annually conduct a review of the effectiveness of the system of internal control. During the year ended 30 June 2012, the Company did not conduct such a review.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 13 September 2010 with written terms of reference in compliance with the CG Code, and currently comprises three independent non-executive Directors, Mr. Yan Lihu, Mr. Hu Bing and Mr. Cai Zhipeng. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2012.

GENERAL

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 21 June 2012 and will remain suspended until further notice.

By Order of the Board
Trony Solar Holdings Company Limited
Li Yi
Chairman

Hong Kong, 29 April 2016

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Li Yi (Chairman and Chief Executive Officer) and Ms. Yu Ying, and three independent non-executive Directors, namely Mr. Yan Lihu, Mr. Hu Bing and Mr. Cai Zhipeng.