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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 2017 AND CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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 2017. 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 2017

	Notes	2017 RMB'000	2016 RMB'000
Revenue	4	**46,867**	37,102
Cost of sales and services provided		**(50,926)**	(38,349)
Gross loss		**(4,059)**	(1,247)
Other income	5	**3,734**	15,609
Selling and distribution expenses		**(4,846)**	(6,571)
Administrative and other operating expenses		**(62,585)**	(62,895)
Loss from operations		**(67,756)**	(55,104)
Impairment losses on various assets		**(169)**	(2,946)
Loss before tax		**(67,925)**	(58,050)
Income tax	7	**–**	–
Loss for the year attributable to the owners of the Company	8	**(67,925)**	(58,050)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**123**	3,618
Total other comprehensive income for the year		**123**	3,618
Total comprehensive loss for the year attributable to the owners of the Company		**(67,802)**	(54,432)
Loss per share	10		
Basic (RMB per share)		**(0.04)**	(0.04)
Diluted (RMB per share)		**(0.04)**	(0.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

	Notes	2017 RMB'000	2016 RMB'000
Non-current assets			
Property, plant and equipment		**198,361**	222,026
Prepaid land lease payments		**9,614**	9,874
		207,975	231,900
Current assets			
Inventories		**6,594**	8,188
Trade and bills receivables	*11*	**33,099**	13,862
Other receivables and prepayments		**6,018**	6,848
Prepaid land lease payments		**260**	260
Bank and cash balances		**89,838**	132,669
		135,809	161,827
Current liabilities			
Trade and other payables	*12*	**311,158**	293,299
Net current liabilities		**(175,349)**	(131,472)
NET ASSETS		**32,626**	100,428
Capital and reserves			
Share capital		**1,000**	1,000
Reserves		**31,626**	99,428
TOTAL EQUITY		**32,626**	100,428

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 is Suites 1106-08, 11th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong. 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 and construction of photovoltaic cells.

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 then 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) the appointment 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) the 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 Forensic Review Summary, 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.

On 8 April 2016, the Company received a letter from the Stock Exchange (the "Show Cause Letter"). The Listing Department of the Stock Exchange (the "Listing Department") intends to commence procedures to cancel the listing of the Company under Listing Rule 6.01 by issuing an announcement under Listing Rule 6.10 to provide the Company with further time to rectify the matters that have render it unsuitable for listing, failing which the Listing Department will recommend to the Listing Committee to proceed with the cancellation of the Company's listing.

On 9 and 20 May 2016, the Company made written submissions to the Stock Exchange detailing, amongst other things, the current progress of work done by the Company and its ongoing plan towards fulfilling the conditions of resumption of trading imposed on the Company by the Stock Exchange, and pleaded with the Stock Exchange to reconsider its intention to commence procedures to cancel the listing of the Company under Rule 6.01 of the Listing Rules and grant the Company additional time to fulfil the remaining of the conditions for resumption.

On 3 June 2016, the Company received a further letter ("Decision Letter") from the Stock Exchange notifying the Company that the Listing Department has decided to commence the procedures to cancel the Company's listing under Rules 6.01(4) and 6.04 and the grounds set out in the Show Cause Letter ("Decision"). The Company was notified in the Decision Letter that it has the right to have the Decision reviewed by the Listing Committee. In this connection, the Company has on 8 and 15 June 2016 submitted its request for review of the Decision. By a letter from the Stock Exchange dated 20 June 2016, the Company has been notified that a review hearing ("Review Hearing") has been scheduled on 30 August 2016. The Company attended the Review Hearing on 30 August 2016.

On 5 September 2016, the Company received a letter from the Stock Exchange. The Listing Committee considered the submissions and decided to uphold the Listing Department's decision to commence the procedures to cancel the Company's listing. The Company made written submissions on 9 September 2016 to the Stock Exchange to plead with the Stock Exchange to reconsider its intention to commence procedures to cancel the listing of the Company. The Company received a letter from the Stock Exchange dated 12 September 2016, stating that further review hearing (the "Further Review Hearing") was scheduled on 22 November 2016 and the Further Review Hearing was subsequently postponed to 13 December 2016.

On 22 December 2016, the Company received a fax letter from the Stock Exchange that the Review Committee has decided to uphold the Listing Committee's decision to commence the procedures to cancel the Company's listing. Additionally, on 23 December 2016, the Company received a fax letter from the Stock Exchange that the Stock Exchange will publish an announcement on 5 January 2017 under Rule 6.10 of the Listing Rules, on commencement of procedures to cancel the Company's listing (the "Listing Cancellation Announcement"). The Company will have a period of 6 months from the date of the Listing Cancellation Announcement expiring on 4 July 2017 to remedy the matters that have rendered it unsuitable for listing. The Company has been asked to provide a submission to remedy those matters to the Stock Exchange no later than 19 June 2017, failing which the Stock Exchange may proceed with cancelling the Company's listing.

The Company has made a submission to the Stock Exchange on 19 June 2017 and the Company received a letter from the Stock Exchange that the Lising Committee has decided to (i) reject the request of the Company to extend the remedial period to 30 September 2017 and (ii) cancel the listing of the Company. On 24 July 2017, the Company has made a request that the decision of the Listing Committee be referred to the Listing (Review) Committee pursuant to Rule 2B.06 of the Listing Rules.

Going concern

The Group incurred a loss of approximately RMB67,925,000 for the year ended 30 June 2017 and net current liabilities of approximately RMB175,349,000 in the consolidated statements of financial position of the Group as at 30 June 2017. 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 2016. 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 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:

	2017	2016
	RMB'000	*RMB'000*
Sales of goods	**28,783**	35,139
Contract services income	**18,084**	1,963
	46,867	37,102

5. OTHER INCOME

	2017	2016
	RMB'000	*RMB'000*
Government grants *(note)*	**2,151**	4,628
Interest income	**133**	422
Net foreign exchange gain	**–**	5,550
Waiver of trade payables	**–**	4,307
Rental income	**902**	612
Others	**548**	90
	3,734	15,609

Note: Government grants are awarded to the Group by the local government agencies incentives primarily to encourage the development of the Group and the contribution to the local economic development. No condition have been applied on such government grants from the local government agencies.

6. SEGMENT INFORMATION

During the year, the Group has two reportable operating segment for financial reporting purposes, reported as (i) the manufacture and sale of solar products and (ii) construction of photovoltaic cells.

Segment profits or losses do not include interest income, income tax, impairment loss on various assets and other unallocated corporate income and expenses. Segment assets do not include investment in an associate, bank and cash balances and other unallocated corporate assets. Segment liabilities do not include current tax liabilities and other unallocated corporate liabilities.

Information about reportable segment profit or loss, assets and liabilities:

	Construction of Photovoltaic cells	The manufacture and sale of solar products	Total
	RMB'000	*RMB'000*	*RMB'000*
Year ended 30 June 2017:			
Revenue from external customers	**18,084**	**28,783**	**46,867**
Segment loss	**(1,273)**	**(42,002)**	**(43,275)**
Depreciation	**1**	**23,882**	**23,883**
Other material non-cash items:			
Impairment losses on various assets	**–**	**169**	**169**
Additions to segment non-current assets	**–**	**191**	**191**
At 30 June 2017:			
Segment assets	**25,472**	**213,347**	**238,819**
Segment liabilities	**14,326**	**280,228**	**294,554**
Year ended 30 June 2016:			
Revenue from external customers	1,963	35,139	37,102
Segment loss	(2,207)	(42,615)	(44,822)
Depreciation	1	24,320	24,321
Income tax	–	–	–
Other material non-cash items:			
Impairment losses on various assets	–	2,946	2,946
Additions to segment non-current assets	–	3,776	3,776
At 30 June 2016			
Segment assets	7,666	238,070	245,736
Segment liabilities	2,261	274,787	277,048

Reconciliations of reportable segment profit and loss, assets and liabilities:

	2017 *RMB'000*	2016 *RMB'000*
Profit or loss:		
Total loss of reportable segments	**(43,275)**	(44,822)
Impairment losses on various assets	**(169)**	(2,946)
Corporate and unallocated loss	**(24,481)**	(10,282)
Consolidated loss before tax	**(67,925)**	(58,050)
Assets:		
Total assets of reportable segments	**238,819**	245,736
Bank and cash balances	**89,838**	132,669
Corporate and unallocated assets	**15,127**	15,322
Consolidated total assets	**343,784**	393,727
Liabilities:		
Total liabilities of reportable segments	**294,554**	277,048
Corporate and unallocated liabilities	**16,604**	16,251
Consolidated total liabilities	**311,158**	293,299

7. INCOME TAX

	2017 *RMB'000*	2016 *RMB'000*
Current tax:		
– Provision for the PRC enterprise income tax	**–**	–

No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2017 and 2016 as the Group did not generate any assessable profits arising in Hong Kong during both years. 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.

8. LOSS FOR THE YEAR

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

	2017	2016
	RMB'000	*RMB'000*
Auditor's remuneration	**782**	1,461
Cost of inventories sold and services provided	**50,926**	38,349
Depreciation	**24,995**	25,524
Amortisation of prepaid land lease payments	**260**	260
Net loss on disposals of property, plant and equipment	**–**	274
Impairment losses on various assets:		
Property, plant and equipment	**–**	1,301
Trade receivables	**169**	874
Prepayments, deposits and other receivables	**–**	771
	169	2,946
Staff costs		
Salaries, bonus and allowances	**19,841**	19,102
Retirement benefits scheme contributions	**1,836**	1,474
	21,677	20,576
Net foreign exchange loss/(gain)	**417**	(5,550)

9. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 June 2017 (2016: nil).

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for year attributable to owners of the Company of approximately RMB67,925,000 (2016: RMB58,050,000) and the weighted average number of approximately 1,584,683,486 (2016: 1,584,683,486) ordinary shares in issue during the year.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 30 June 2017 and 30 June 2016.

11. TRADE AND BILLS RECEIVABLES

Trade and bills receivables are mainly arisen from sales of solar products. No interest is charged on the trade receivables.

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**22,550**	13,762
Bills receivables	**10,549**	100
	33,099	13,862

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

	2017	2016
	RMB'000	*RMB'000*
60 days or less	**22,517**	3,847
61 to 120 days	**10,075**	3,859
121 to 180 days	**507**	1,145
Over 180 days	**–**	5,011
	33,099	13,862

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:

	2017	2016
	RMB'000	*RMB'000*
Neither past due nor impaired	**32,592**	7,706
Less than 90 days past due	**507**	1,145
Over 90 days past due	**–**	5,011
	33,099	13,862

12. TRADE AND OTHER PAYABLES

	2017	2016
	RMB'000	*RMB'000*
Trade payables	**207,283**	192,733
Bills payables	**1,670**	1,621
	208,953	194,354
Accrued expenses	**3,879**	3,670
Salaries and staff welfare payables	**2,181**	1,560
Receipts in advance	**90,467**	88,732
Others	**5,678**	4,983
	311,158	293,299

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 following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2017	2016
	RMB'000	*RMB'000*
90 days or less	**3,904**	3,928
91 to 180 days	**1,351**	1,994
Over 180 days	**203,698**	188,432
	208,953	194,354

13. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, there are certain updates in respect of the status of suspension of trading in shares of the Company, and further details of which are stated in note 2 to the consolidated financial statements.

In additions, the carrying amount of staff quarters of property plant and equipment had been frozen in August 2017 amounted to approximately RMB2,680,000 due to the litigation of the Group.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 2017, an extract of which is as follows:

Basis for disclaimer of opinion

1. Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 30 June 2016, which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and the material uncertainty relating to the going concern basis, details of which are set out in our audit report dated 30 September 2016.

There were no satisfactory audit procedures to ascertain the existence, accuracy, presentation and completeness of certain opening balances and corresponding figures (as further detail explained in the following paragraphs) shown in the current year's consolidated financial statements.

2. Trade and other payables

No sufficient evidence has been provided to satisfy ourselves as to the carrying amount of the trade and other payables amounted to approximately RMB265,040,000 and RMB265,697,000 as at 30 June 2017 and 2016 respectively are fairly stated.

3. 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 2017 and 2016.

Any adjustments to the figures as described from points 1 to 3 above might have a significant consequential effect on the Group's results and cash flows for the two years ended 30 June 2017 and 2016 and the financial positions of the Group as at 30 June 2017 and 2016, and the related disclosures thereof in the consolidated financial statements.

4. Material uncertainty relating to the going concern basis

The disclosures in note 2 to the consolidated financial statements indicates the Group incurred a loss for the year of approximately RMB67,925,000 for the year ended 30 June 2017 and net current liabilities of approximately RMB175,349,000 in the consolidated statements of financial position of the Group as at 30 June 2017. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 30 June 2017, the Group recorded a revenue of approximately RMB46,867,000, with a gross loss of approximately RMB4,059,000, and a net loss of approximately RMB67,925,000.

During 2017 financial year, the construction of photovoltaic cell segment reported revenue of approximately RMB18,084,000 as the Group has undertaken the Shaoxing CSG photovoltaic power station project during the year ended 30 June 2017. While the manufacture and sale of solar products segment reported revenue of approximately 28,783,000; the decrease in revenue was mainly due to the decrease in business volume during the year end 30 June 2017.

The Group recorded an decrease in other income, as no writing back of aged payable in 2017 and decrease in government grant during the year.

In respect of expenses, due to an increase in legal and professional fees, the Group recorded an overall increase in its expenses.

The Group's headcount increased from 184 in 2016 to 230 in 2017. The Group continued with improvement programs designed to streamline its operations and increase productivity.

While the Group continued to maintain its leading position and market share in weak light cells, the overall shrinking market had inevitably affected the Group with reduced profitability in this line of business.

Revenue

For 2017 financial year, revenue was recorded at approximately RMB46,867,000, representing an increase of approximately RMB9,765,000 or 26% as compared to 2016.

The increase was mainly due to the Shaoxing CSG photovoltaic power station project.

Cost of Sales

Cost of sales was approximately RMB50,926,000, representing an increase of approximately RMB12,577,000 or 32% as compared to 2016.

The decrease in cost of sales exceeded the decrease in revenue.

Gross Loss

In 2017, the Group recorded a gross loss of RMB4,059,000, representing a decrease of approximately RMB2,812,000 or 225% as compared to the gross loss of approximately RMB1,247,000 in 2016.

The construction of photovoltaic cell segment recorded a gross profit of approximately RMB2,131,000, representing an increase of approximately RMB266,000 or 14% as compared to 2016. The increase was mainly due to the construction of CSG photovoltaic power plants.

The manufacture and sale of solar products segment recorded a gross loss of approximately RMB6,190,000, representing a increase of approximately RMB3,078,000 or 99% as compared to 2016.

Other Income

Other income for 2017 financial year was approximately RMB3,734,000, representing an decrease of approximately RMB11,875,000 or 76% as compared to 2016.

Other income mainly comprised government grants of RMB2,151,000, rental income of approximately RMB902,000 and others of RMB548,000.

Selling and Distribution Expenses

Selling and distribution expenses for 2017 financial year were approximately RMB4,846,000, representing a decrease of approximately RMB1,725,000 or 26% as compared to 2016.

Loss Before Tax

The net loss before tax for 2017 financial year was approximately RMB67,925,000, representing an increase of approximately RMB9,875,000 or 17% as compared to 2016.

The increase in net loss before tax was mainly due to the combined effect of the increase of gross loss and the decrease of other income.

Contingent liabilities

Except for the point 3 and 4 of the disclaimer opinion in the independent auditor's report, the Group is not aware of any material contingent liabilities as at 30 June 2017.

Acquisition or disposal of subsidiary and associated company

During the year ended 30 June 2017, there was no acquisition or disposal of subsidiary and associated company.

Pledge on Group assets

As at 30 June 2017, none of the assets of the Group was pledged (2016: Nil).

Liquidity and financial resources

The Group generated its own cash flows through its internal operations.

Significant investment

No significant investment was held during the year ended 30 June 2017.

Foreign currency exchange risk

Certain bank balances, trade receivables and trade and other payables are denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure by closely monitoring the movement of foreign currency rates.

Human Resources

As at 30 June 2017, the Group had 230 employees (2016: 184). The current remuneration for the employees includes basic salary, discretionary bonus and social security funds. The employees' remuneration is commensurate with their duties, performance and contribution.

FINAL DIVIDEND

The Board resolved not to recommend any final dividend for the year ended 30 June 2017 (2016: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the Shareholders to attend and vote at the annual general meeting of the Company ("AGM") to be held on Friday, 8 December 2017, the register of members of the Company will be closed from Monday, 4 December 2017 to Friday, 8 December 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 1 December 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period from 1 July 2016 to 30 June 2017.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 2017.

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 Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules Governing the Listing of Securities on the Stock Exchange as its own code of corporate governance. During the year ended 30 June 2017, the Company was in compliance with the relevant code provisions set out in the CG Code except for the deviation from code provision A.2.1 which is explained below.

Code provision A.2.1 of the CG Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 30 June 2017, Mr. Li Yi, the former chairman of the Company, was also acting as the chief executive officer of the Company until his resignation on 7 September 2016. After evaluation of the current situation of the Company and taking into account of the experience and past performance of Mr. Li Yi, the Board is of the opinion that it is appropriate and in the best interests of the Company to separate the two roles of chairman and chief executive officer. Mr. Pak Wai Keung Martin is currently the chairman of the Company and Mr. Huang Henry Xiao Shi, the general vice president of the Company, has taken up the responsibility of acting chief executive officer of the Company since the resignation of Mr. Li Yi until the Company has identified suitable candidate to fill up the vacancy.

Save as aforesaid, in the opinion of the Directors, the Company has met all the other relevant code provisions set out in the CG Code during the year ended 30 June 2017.

AUDIT COMMITTEE

The Company established 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, namely Mr. Pak Wai Keung Martin (as chairman), Mr. Zhang Xuehu and Ms. Chow Wai Fong. The primary duties of the Audit Committee are to ensure effectiveness of the financial reporting process, as well as risk management and internal control systems of the Group. The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2017.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 June 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 June 2017. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board also announces that the principal place of business of the Company in Hong Kong has been changed to Suites 1106-08, 11th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong with effect from 27 September 2017.

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
Martin Pak
Chairman

Hong Kong, 27 September 2017

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Yu Ying and Mr. Liu Bin, and three independent non-executive Directors, namely Mr. Pak Wai Keung Martin (Chairman), Mr. Zhang Xuehu and Ms. Chow Wai Fong.