TRONY®

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 2014

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 2014. 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 2014

	Notes	2014 RMB'000	2013 RMB'000
Revenue	4	**109,705**	94,189
Cost of sales and services provided		**(101,668)**	(93,909)
Gross profit		**8,037**	280
Other income	5	**12,315**	25,824
Selling and distribution expenses		**(9,639)**	(9,570)
Administrative and other operating expenses		**(67,217)**	(126,720)
Loss from operations		**(56,504)**	(110,186)
Impairment losses on various assets	9	**(21,281)**	(56,822)
Finance costs	7	**(1,178)**	(4,035)
Loss before tax		**(78,963)**	(171,043)
Income tax	8	**(1,256)**	–
Loss for the year	9	**(80,219)**	(171,043)
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(34)**	637
Total other comprehensive (loss)/income for the year		**(34)**	637
Total comprehensive loss for the year attributable to the owners of the Company		**(80,253)**	(170,406)
Loss per share	11		
Basic *(RMB per share)*		**(0.05)**	(0.11)
Diluted *(RMB per share)*		**(0.05)**	(0.11)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	**2014** **RMB'000**	2013 RMB'000
Non-current assets			
Property, plant and equipment		**265,672**	291,508
Prepaid land lease payments		**10,394**	10,654
Investment in an associate		**8,795**	8,700
		284,861	310,862
Current assets			
Inventories		**29,379**	32,745
Trade and bills receivables	*12*	**47,344**	35,890
Other receivables and prepayments		**10,821**	18,741
Prepaid land lease payments		**260**	260
Bank and cash balances		**208,256**	266,999
		296,060	354,635

	Notes	2014 *RMB'000*	2013 *RMB'000*
Current liabilities			
Trade and other payables	*13*	**351,354**	336,278
Tax payables		**1,253**	–
Bank borrowings		**2,125**	25,800
		354,732	362,078
Net current liabilities		**(58,672)**	(7,443)
Total assets less current liabilities		**226,189**	303,419
Non-current liabilities			
Bank borrowings		**–**	2,125
NET ASSETS		**226,189**	301,294
Capital and reserves			
Share capital		**1,000**	1,000
Reserve		**225,189**	300,294
TOTAL EQUITY		**226,189**	301,294

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 2014. Subsequent to the end of the reporting, 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 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 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 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 RMB80,219,000 for the year ended 30 June 2014 and has sustained significant continuing loss for the immediately next financial year ended 30 June 2015 and net current liabilities in the consolidated statements of financial position of the Group as at 30 June 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 2013. 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:

	2014	2013
	RMB'000	*RMB'000*
Sales of goods	**48,545**	94,189
Contract services income	**61,160**	–
	109,705	94,189

5. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Government grants	**3,295**	22,964
Interest income	**1,060**	2,603
Net foreign exchange gain	**7,623**	–
Others	**337**	257
	12,315	25,824

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 *RMB'000*	The manufacture and sale of solar products *RMB'000*	Total *RMB'000*
Year ended 30 June 2014:			
Revenue from external customers	61,160	48,545	109,705
Segment profit/(loss)	3,998	(42,110)	(38,112)
Depreciation	1	21,522	21,523
Income tax	1,256	–	1,256
Other material non-cash items:			
Impairment losses on various assets	–	21,281	21,281
Additions to segment non-current assets	12	1,200	1,212
At 30 June 2014:			
Segment assets	46,493	304,573	351,066
Segment liabilities	47,615	287,583	335,198
Year ended 30 June 2013:			
Revenue from external customers	–	94,189	94,189
Segment loss	–	(71,461)	(71,461)
Depreciation	–	19,745	19,745
Income tax	–	–	–
Additions to segment non-current assets	–	32,496	32,496
At 30 June 2013:			
Segment assets	–	376,898	376,898
Segment liabilities	–	349,296	349,296

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

	2014 *RMB'000*	2013 *RMB'000*
Profit or loss:		
Total profit of reportable segments	**(38,112)**	(71,461)
Impairment losses on various assets	**(21,281)**	(56,822)
Corporate and unallocated profit or loss	**(19,570)**	(42,760)
Consolidated loss before tax	**(78,963)**	(171,043)
Assets:		
Total assets of reportable segments	**351,066**	376,898
Investment in an associate	**8,795**	8,700
Bank and cash balances	**208,256**	266,999
Corporate and unallocated assets	**12,804**	12,900
Consolidated total assets	**580,921**	665,497
Liabilities:		
Total liabilities of reportable segments	**335,198**	349,296
Corporate and unallocated liabilities	**19,534**	14,907
Consolidated total liabilities	**354,732**	364,203

Geographical information:

	2014 *RMB'000*	2013 *RMB'000*
Revenue:		
The PRC	**107,970**	90,473
Others	**1,735**	3,716
	109,705	94,189

Information about revenue from the Group's customer individually contributing over 10% of total revenue of the Group as follows:

	2014	2013
	RMB'000	*RMB'000*
Customer A	**57,573**	*

* No corresponding revenue contribute over 10% of the total revenue of the Group in the respective year.

In presenting the geographical information, revenue is based on the locations of the customers.

	2014	2013
	RMB'000	*RMB'000*
Non-current assets:		
The PRC	**265,462**	291,112
United States of America	**19,399**	19,750
	284,861	310,862

7. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest on bank borrowings wholly repayable within five years	**1,178**	4,035

8. INCOME TAX

	2014	2013
	RMB'000	*RMB'000*
Current tax:		
– Provision for the PRC enterprise income tax	**1,256**	–

No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2014 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:

	2014	2013
	RMB'000	*RMB'000*
Loss before tax	**(78,963)**	(171,043)
Notional tax on profit before tax calculated at the PRC statutory rate	**(19,741)**	(42,761)
Effect of different tax rates in other tax jurisdictions	**3,265**	6,444
Tax effect of non-deductible expenses	**11,091**	21,358
Tax effect of tax losses not recognized	**9,370**	20,751
Tax effect of non-taxable income	**(2,729)**	(5,792)
Income tax for the year	**1,256**	–

9. LOSS FOR THE YEAR

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

	2014	2013
	RMB'000	*RMB'000*
Auditor's remuneration	**1,583**	1,611
Cost of inventories sold and services provided	**101,668**	93,909
Depreciation	**24,396**	22,126
Amortisation of prepaid land lease payments	**260**	260
Net loss on disposals of property, plant and equipment	**2,758**	2,281
Net foreign exchange (gain)/losses	**(7,623)**	8,981
Impairment losses on various assets:		
Inventories	**2,092**	12,898
Prepayments, deposits and other receivables	**6,303**	26,800
Property, plant and equipment	**–**	3,970
Trade receivables	**12,886**	13,154
	21,281	56,822
Staff costs (including directors' remuneration):		
Salaries, bonus and allowances	**22,620**	41,818
Equity-settled share-based payments	**5,148**	10,358
Retirement benefits scheme contributions	**1,576**	2,723
	29,344	54,899

10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 June 2014 (2013: nil).

11. 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 RMB80,219,000 (2013: RMB171,043,000) and the weighted average number of approximately 1,586,183,000 (2013: 1,586,183,000) 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 2014 and 30 June 2013.

12. TRADE AND BILLS RECEIVABLES

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

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**42,804**	24,036
Bills receivables	**4,540**	11,854
	47,344	35,890

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.

	2014	2013
	RMB'000	*RMB'000*
60 days or less	**4,535**	13,925
61 to 120 days	**39,322**	5,585
121 to 180 days	**1,246**	3,005
Over 180 days	**2,241**	13,375
	47,344	35,890

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:

	2014	2013
	RMB'000	*RMB'000*
Neither past due nor impaired	**43,857**	13,925
Less than 90 days past due	**1,246**	5,585
Over 90 days past due	**2,241**	16,380
	47,344	35,890

13. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**236,676**	200,238
Bills payables	**1,609**	4,527
	238,285	204,765
Accrued expenses	**5,870**	4,131
Salaries and staff welfare payables	**1,377**	2,186
Receipts in advance	**83,857**	97,708
Others	**21,965**	27,488
	351,354	336,278

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:

	2014	2013
	RMB'000	*RMB'000*
90 days or less	**3,667**	4,349
91 to 180 days	**849**	1,451
Over 180 days	**233,769**	198,965
	238,285	204,765

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 2014, 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 2013, 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 29 April 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. 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 years ended 30 June 2014 and 2013, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the years ended 30 June 2014 and 2013 and the assets and liabilities as at 30 June 2013, 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	
	2014	2013
	RMB'000	*RMB'000*
Income and expenses:		
Revenue	**1,735**	94,189
Cost of goods sold	**(1,732)**	(93,909)
Gross profit	**3**	280
Other income	**9**	23,167
Selling and distribution expenses	**(2,690)**	(9,570)
Administrative expenses	**(213)**	(62,462)
Impairment losses on various assets	**(5,293)**	(56,822)
Finance costs	**(17)**	(11)
Loss for the year	**(8,201)**	(105,418)

	As at 30 June 2013 RMB'000
Assets and liabilities:	
Inventories	4,210
Trade and bills receivables	2,247
Prepayments, deposits and other receivables	1,423
Cash balances	798
Trade and other payables	(321,468)
Net liabilities	(312,790)

3. 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 RMB265,672,000 and RMB291,508,000 as at 30 June 2014 and 2013 respectively are fairly stated.

4. 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 RMB297,042,000 as at 30 June 2014 are fairly stated.

5. 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 2014 and 2013.

6. 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 2013 and the balances as at 30 June 2013 as required by Hong Kong Accounting Standard 24 (Revised) "Related Party Disclosures".

7. 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 2014 and 2013 as disclosed in notes 16 and 24 to the consolidated financial statements.

Any adjustments to the figures as described from points 1 to 7 above might have a significant consequential effect on the Group's results and cash flows for the two years ended 30 June 2014 and 2013 and the financial positions of the Group as at 30 June 2014 and 2013, 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 RMB80,219,000 for the year ended 30 June 2014 and has sustained significant continuing loss for the immediately next financial year ended 30 June 2015 and net current liabilities in the consolidated statements of financial position of the Group as at 30 June 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 related parties:

2014 was still a year full of challenges for the Group. The global solar market remained sluggish. Despite the PRC market was underpinned by the national policy, even though most of the enterprises in the industry got some breathing space, but they were generally operating at a loss with high liabilities. The Group took the zero bank liability measure to reduce financial costs. The Group started to conduct the legal auditing and internal monitoring and inspection from last year, and the specific investigation works assisted by an independent third party engaged by the Independent Investigation Committee, comprising independent directors, was also underway.

In light of the long-term downturn of the global PV market, the Group adopted the strategy of "development after survival" for its operation, and continued to carry out the operation policy of "maintaining the traditional products market, accelerating the engineering projects and expanding overseas business new sector" (Maintaining, Accelerating and Expanding) formulated last year. Of which, the low light solar cell business was troubled by the continuous decrease of product unit price, but through the increase of output and expansion of market shares, the reduction in sales volume was being offset and became stable. After fierce competition, the original ten over competitors were sifted out to current four to five. At the same time, the efforts for technological innovation were further intensified to enhance the enterprise core competitiveness. In October 2013, the Group was awarded the honour of the Chinese Patent Excellence Award.

MANAGEMENT DISCUSSION AND ANALYSIS

The results of the Group continued to drop in this financial year ended 30 June 2014. For the year ended 30 June 2014, the Group's revenue recorded was RMB109,705,000, sales cost of RMB101,668,000 and net loss of RMB80,219,000. The administration expenses in this financial year were RMB67,217,000, representing a substantial decrease of RMB59,503,000 as compared to the corresponding period of 2013, which was mainly attributed to the decrease of labor costs, professional fees and various projects audit expense.

For details, please refer to the "Financial Review" section below.

FINANCIAL REVIEW

For 2014 financial year: sales income was RMB109,705,000, sales cost was RMB101,668,000, expenses during the period were RMB76,856,000 and the net loss was RMB80,219,000.

1. The revenue for the financial year of 2014 was RMB109,705,000, representing an increase of RMB15,516,000 as compared to RMB94,189,000 in 2013 financial year.

   Primary causes of change: decrease of market demand in solar products and revenue increased in construction. The sales for 2014 financial year mainly comprised: RMB17, 290,000 for low light cells, RMB22,690,000 for yard lamps cells, RMB6,740,000 for solar cell modules, RMB61,160,000 for engineering project income and RMB1,825,000 for other sales.

2. The cost of sales for the financial year of 2014 was RMB101,668,000, representing an increase of RMB7,759,000 as compared to RMB93,909,000 in 2013 financial year.

   Primary causes of change: the cost of sales decreased due to the reduced sales.

3. The gross profit for the financial year of 2014 was RMB8,037,000, representing an increase of RMB7,757,000 as compared to RMB280,000 in 2013 financial year.

   Primary causes of change: the gross profit margin of the projects is higher than products sales, and the Group made more efforts on the projects development in 2014 financial year. Hence despite the overall sales was declined, gross profit slightly improved.

4. The selling and distribution expenses for the financial year of 2014 were RMB9,639,000, increased by RMB69,000 as compared to RMB9,570,000 in 2013 financial year which were at roughly the same level.

5. The administration expenses for the financial year of 2014 were RMB67,217,000, representing a decrease of RMB59,503,000 as compared to RMB126,720,000 in 2013 financial year.

   Primary causes of change: the decrease of the labor cost, the professional fees.

6. The net loss was RMB80,219,000 in 2014 financial year, representing a decrease in loss of RMB90,824,000 as compared to RMB171,043,000 in 2013 financial year.

   Primary causes: significant decrease of the administration expenses.

7. The property, plant and equipment were RMB265,672,000 in 2014 financial year, representing a decrease of RMB25,836,000 as compared to RMB291,508,000 in 2013 financial year.

   Primary cause of change: ordinary depreciation and older equipment phased out

8. The trade receivables were RMB47,344,000 in 2014 financial year, representing an increase of RMB11,454,000 as compared to RMB35,890,000 in 2013 financial year.

   Primary causes of change: strengthen the administration of receivables from the projects.

9. Cash and bank deposits were RMB208,256,000 in 2014, representing a decrease of RMB58,743,000 as compared to RMB266,999,000 in 2013 financial year.

   Primary causes of change: the losses in the current year

HUMAN RESOURCES

As at 30 June 2014, the Group had 272 employees (2013: 313). 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

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period from 1 July 2013 to 30 June 2014.

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 2014.

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 as its own code of corporate governance. The existing Board has reviewed the Company's corporate governance practices for the financial year under review, and has formed the opinion that the existing Board was unable to ensure compliance of certain of the then provisions of the CG Code for the year ended 30 June 2014 due to the suspension in trading of shares of the Company since 9:00 a.m. on 21 June 2012. Such non-compliance is set out in the table below:

The then Code provisions	Reasons for the non-compliance and improvement actions took or to be taken
A.1.2, A.1.3	Due to the suspension in trading of the Company's shares, there were no regular Board meetings held for approving the annual and interim results of the Group during the year ended 30 June 2014. Due notice of all regular Board meetings will be given to all members of the Board.
A.1.8	No insurance cover could be arranged for the year ended 30 June 2014 in view of the suspension in trading of the Company's shares. Directors' insurance will be arranged for each Director once such can be arranged or immediately upon the resumption of trading of the Company's shares.
A.2.1	Mr. Li Yi, the Chairman of the Company, was also acting as the chief executive officer of the Company. Mr. Li Yi has extensive experience in the solar industry and is responsible for the overall corporate strategies of the Group. The Board believes 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 believes 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 calibre individuals with sufficient number thereof being independent non-executive Directors.
A.2.5	The Company was not in compliance with certain code provisions as set out in the CG Code due to the suspension in trading of the Company's shares. The Chairman has confirmed that he will take active action to improve and monitor the corporate governance practice of the Group.
A.4.2	No general meeting was held during the year ended 30 June 2014 due to the suspension in trading of the Company's shares. Therefore, no Directors have been subject to retirement and re-election by the Shareholders at the general meeting. All Directors will be subject to rotation in accordance with the Articles of Association of the Company and the Listing Rules. Every Director will be subject to retirement by rotation at least once every three years.
A.6.7	No general meeting was held during the year ended 30 June 2014 due to the suspension in trading of the Company's shares.
A.7.1	Due to the suspension in trading of the Company's shares, there were no regular Board meetings held for approving the annual and interim results of the Group during the year ended 30 June 2014.
C.1.2	The management of the Company did not provide a regular monthly update to all members of the Board, but the management keeps providing information and update to the members of the Board irregularly.

C.1.5	Due to the suspension in trading of the Company's shares, there were no regular Board meetings held for approving the annual and interim results of the Group during the year ended 30 June 2014. The despatch of the Annual Reports 2011/2012, 2012/2013, 2013/2014 and 2014/2015, and the Interim Report 2012/2013, 2013/2014, 2014/2015 and 2015/2016 to the Shareholders have been delayed.
C.2.1, C.2.2	The Company did not conduct an annual review on the effectiveness of the internal control systems of the Group during the year ended 30 June 2013. However, the Company's legal advisers have appointed PricewaterhouseCoopers Consulting Hong Kong Limited as an independent professional adviser on 19 September 2012 to assist the Independent Review Committee to carry out a forensic review of the potential discrepancies in the financial records of the Company as mentioned in the Company's announcement dated 22 June 2012.
C.3.1, C.3.6	No Audit Committee meeting was held during the year ended 30 June 2014.
E.1.1, E.1.2, E.1.3, E.2.1	No general meeting was held during the year ended 30 June 2014 due to the suspension in trading of the Company's shares. General meetings of the Company shall be arranged in due course.

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 2014.

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.