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 Report

2014/2015

CONTENTS

CORPORATE INFORMATION

Directors	
Executive Directors	Mr. Li Yi *(Chairman)* Ms. Yu Ying
Independent Non-Executive Directors	Mr. Hu Bing Mr. Yan Lihu Mr. Cai Zhipeng
Registered Office	Walker House, 87 Mary Street George Town Grand Cayman KY1-9005 Cayman Islands
Head Office in the PRC	Room 1403, Building A4 Kexing Science Park Keyuan Road, Middle District of Science Park Nanshan District Shenzhen 518048 PRC
Principal Place of Business in Hong Kong	Room 1502, 15th Floor The Chinese Bank Building 61-65 Des Voeux Road Central Hong Kong
Audit Committee	Mr. Hu Bing *(Committee Chairman)* Mr. Yan Lihu Mr. Cai Zhipeng
Nomination Committee	Mr. Li Yi *(Committee Chairman)* Mr. Hu Bing Mr. Yan Lihu Mr. Cai Zhipeng

Remuneration Committee	Mr. Yan Lihu *(Committee Chairman)* Mr. Li Yi Mr. Hu Bing Mr. Cai Zhipeng
Company Secretary	Ms. Chan Yuen Ying Stella
Company Website	www.trony.com
Authorized Representatives	Ms. Chan Yuen Ying Stella Mr. Li Yi
Cayman Islands Principal Share Registrar and Transfer Office	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Legal Advisors	Iu, Lai & Li Solicitors & Notaries
Auditor	ZHONGHUI ANDA CPA Limited Certified Public Accountants
Principal Bankers	Industrial and Commercial Bank of China (Asia) Limited Hang Seng Bank Limited China Construction Bank

CHAIRMAN'S STATEMENT

2015 was full of opportunities and challenges for the Group. Its sales income recorded a year-on-year increase as compared to last year, which was mainly contributed by the contract of the PV power station project business. It demonstrated that the Group's efforts to open up the PV power station project market began to achieve initial results. At the same time, the increase was also a result of strengthening various internal control and management and many other factors.

By adjusting the staff force organization of the production department, reasonably deploying production plans, the staff force was downsized by half with the value of output not decreasing but slightly increased. Through the process technological innovation, the low light solar products had fully utilized the automation equipment jointly developed to replace manual operation. Not only had this measure improved production efficiency, it also better guaranteed product quality and qualified rates. By means of optimized management to the suppliers, the procurement cost of the annual production materials also declined to some extent.

Developing the application aspect of PV module is the Group's major measure for its business expansion in recent two years. During the year, this business department of the Group was invited and endeavored to participate in the preliminary technical designs and tenders of ten over PV engineering projects with an aggregate capacity of nearly 200MW, with most of our proposals shortlisted to final top three. However, as the advanced capital (the common practice of the industry) required by this kind of projects had exceeded the affordability of the Group's available capital, it needed to give up the projects. The Group had to give up this kind of business due to its incapable finance conditions as a result of suspension of trading.

By virtue of its technology and experience in the PV sector accumulated over the years, as well as the strengths of its professional teams, the Group will endeavor to improve its enterprise competitiveness, strive to intensify the Group's corporate governance and accelerate the Group's resumption of trading, so as to maximize the interests of the Group and its shareholders.

Li Yi
Chairman

Hong Kong, 29 April 2016

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 30 June 2015, the Group's revenue recorded was approximately RMB115,717,000, sales cost of approximately RMB126,053,000 and net loss of approximately RMB70,936,000.

During the financial year, the sale income increased by approximately RMB6,012,000 as compared with last financial year, which was mainly contributed by the contract of the PV power station project business. It demonstrated that the Group's efforts to open up the PV power station project market began to achieve initial results. At the same time, the increase was also a result of strengthening various internal control and management and many other factors.

By adjusting the staff force organization of the production department, reasonably deploying production plans, the staff force was downsized from over 700 to over 200, with the value of output not decreasing but slightly increased. Through the process technological innovation, the low light solar products had fully utilized the automation equipment jointly developed to replace manual operation. Not only had this measure improved production efficiency, it also better guaranteed product quality and qualified rates. By means of optimized management to the suppliers, the procurement cost of the annual production materials also declined to some extent.

Developing the application aspect of PV module is the Group's major measure for its business expansion in recent two years. During this financial year, this business department of the Group was invited and endeavored to participate in the preliminary technical designs and tenders of ten over PV engineering projects with an aggregate capacity of nearly 200MW, with most of our proposals shortlisted to final top three. However, as the advanced capital (the common practice of the industry) required by this kind of projects had exceeded the affordability of the Group's available capital, it needed to give up the projects. The Group has to give up this kind of business due to its incapable finance conditions as a result of suspension of trading.

By virtue of its technology and experience in the PV sector accumulated over the years, as well as the strengths of its professional teams, the Group will endeavor to improve its enterprise competitiveness, strive to intensify the Group's corporate governance and accelerate the Group's resumption of trading, so as to maximize the interests of the Group and its shareholders.

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

FINANCIAL REVIEW

For 2015 financial year: revenue was approximately RMB115,717,000, cost of sales was approximately RMB126,053,000, expenses during the period were approximately RMB64,949,000 and the net loss was approximately RMB70,936,000.

1. The revenue for 2015 financial year was approximately RMB115,717,000, representing an increase of approximately RMB6,012,000 as compared to approximately RMB109,705,000 in 2014 financial year.

   Primary cause of change: the results from making effort to expand market. The main components of the sales in 2015 financial year were as follows: approximately RMB20,150,000 for low light cells, approximately RMB24,410,000 for yard lamps cells, approximately RMB14,050,000 for solar cell modules, approximately RMB39,310,000 for solar power systems, approximately RMB17,711,000 for engineering projects income and approximately RMB86,000 for other sales.

2. The cost of sales for 2015 financial year was approximately RMB126,053,000, representing an increase of approximately RMB24,385,000 as compared to approximately RMB101,668,000 in 2014 financial year.

   Primary cause of change: the corresponding cost increased due to the increased sales.

3. The gross loss for 2015 financial year was approximately RMB10,336,000, representing a decrease of approximately RMB18,373,000 as compared to gross profit approximately RMB8,037,000 in 2014 financial year.

   Primary cause of change: more discounts were provided to customers for expanding the market.

4. The selling and distribution expenses for 2015 financial year were approximately RMB7,636,000, representing a decrease of approximately RMB2,003,000 as compared to approximately RMB9,639,000 in 2014 financial year.

5. The administrative and other operating expenses for 2015 financial year were approximately RMB57,313,000, representing a decrease of approximately RMB9,904,000 as compared to approximately RMB67,217,000 in 2014 financial year.

   Primary causes: the decrease of the professional fees.

6. The net loss for 2015 financial year was approximately RMB70,936,000, representing a decrease in losses of approximately RMB9,283,000 as compared to approximately RMB80,219,000 in 2014 financial year.

   Primary cause of change: decrease of expenses during the period.

7. The property, plant and equipment for 2015 financial year were approximately RMB243,599,000, representing a decrease of approximately RMB22,073,000 as compared to approximately RMB265,672,000 in 2014 financial year.

   Primary cause of change: ordinary depreciation.

8. The trade and bills receivables for 2015 financial year were approximately RMB22,266,000, representing a decrease of approximately RMB25,078,000 as compared to approximately RMB47,344,000 in 2014 financial year.

   Primary cause of change: the effort for collecting receivables is intensified.

9. Cash and bank deposits for 2015 financial year were approximately RMB153,812,000, representing a decrease of approximately RMB54,444,000 as compared to approximately RMB208,256,000 in 2014 financial year.

   Primary cause of change: the losses in the current year.

Contingent liabilities

As at 30 June 2015, there was no material contingent liability.

Acquisition or disposal of subsidiary and associated company

An associated company of the Company was acquired or being disposed of during the year ended 30 June 2015.

Charge of assets

As at 30 June 2015, the Group pledged buildings with carrying values of approximately RMB Nil (2014: approximately RMB50.7 million) to secured bank borrowing granted to the Group.

Liquidity and financial resources

As at 30 June 2015, the Group's current ratio (current assets divided by current liabilities) was 0.66 (2014: 0.8). The Group's gearing ratio (total loans divided by total assets) was N/A (2014: 0.4%). The Group's financial position remains healthy. As at 30 June 2015, the Group was in a net cash position of approximately RMB153.8 million (2012: net cash position of approximately RMB206.1 million) which included cash and cash equivalents of approximately RMB153.8 million (2012: approximately RMB208.3 million), bank borrowings due within one year of approximately RMB Nil (2012: approximately RMB2.1 million). The Group's borrowings were denominated in RMB while its cash and bank balances were denominated in RMB, USD and HKD. The bank loans at 30 June 2015 carry interest rates based on the prevailing benchmark interest rates issued by the People's Bank of China.

During 2012, the Group has not entered into any financial instrument for hedging purposes nor any currency borrowings and other hedging instruments to hedge against foreign exchange rate risks.

We would implement a balanced financing plan to support the expanding capacity and operation of our solar business.

Significant investment

No significant investment was held during the year ended 30 June 2015.

Segmental information

Details of segmental information are set out in the financial statements.

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, the management monitors foreign exchange exposure by closely monitoring the movement of foreign currency rate.

Human Resources

As at 30 June 2015, the Group had 261 employees (2014: 272). 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.

BIOGRAPHICAL DETAILS OF DIRECTORS

The followings are the biographical details of the current Directors as at the date of this annual report.

EXECUTIVE DIRECTORS

Mr. Li Yi（李毅）, aged 46, joined the Group in September 1993 and was appointed as an executive Director of the Company on 17 November 2006. He is the co-founder, the Chairman, the chief executive officer and an executive Director of the Company, and is responsible for the overall strategy of the Group. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee. He has over 20 years of experience in the solar industry. Mr. Li is a member of China's national BIPV technical standard committee, and a member of the Photovoltaic Professional Committee of the China Solar Energy Society and the Vice-president of the Shenzhen Patent Association. He was also the executive director of Guangdong Solar Energy Association from July 2003 to December 2005. From January 1994 to January 1995, Mr. Li served as the deputy general manager of Shenzhen Yukang Solar Industry Co., Ltd. From August 1991 to August 1993, Mr. Li worked at Shenzhen Materials and Goods Industry & Trade (Group) Co., Ltd. Mr. Li received a bachelor's degree in precision instrument from Shenzhen University in 1991, and a master's degree in business administration from Huazhong University of Science and Technology in 1999. In 2004, Mr. Li received the Golden Medal in the Concours Lepine International Inventors Exhibition of Paris in 2004 from the Association of French Inventors and Manufacturers based in Paris, France. In 2006, Mr. Li received a China Patent Gold Award which was jointly issued by the World Intellectual Property Organization and the State Intellectual Property Office of the PRC for his invention of internal-connecting amorphous silicon PV modules and their fabrication method. In December 2009, Mr. Li received a China Patent Excellence Award from the State Intellectual Property Office. In April 2010, Mr. Li was recognized as a national-level talent by the Shenzhen municipal government, an award only given to a limited number of qualified individuals in Shenzhen. He is also a director of certain subsidiaries of the Company.

Ms. Yu Ying（余穎）, aged 46, was appointed as an executive Director on 29 April 2016. She graduated from the Foreign Languages Department of Shenzhen University. Ms. Yu joined the Group in 2011 and was responsible for assisting the Board and the management on corporate governance of the Company, participating in and supervising the establishment and management of the Group's overseas subsidiaries, and participating in legal and compliance affairs of the Company. Ms. Yu is currently a director of certain subsidiaries of the Group in Hong Kong, Singapore, the United States and East Africa. Ms. Yu has more than 20 years of experience in business planning, operating and marketing.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hu Bing（胡兵）, aged 49, was appointed as an independent non-executive Director with effect from 13 May 2013. Mr. Hu is the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee. Mr. Hu graduated from Finance Department of Yunnan Finance and Trade College (now known as "Yunnan University of Finance and Economics"). He is a qualified accountant. Mr. Hu has served as the section chief of the Department of Finance of Yunnan Province, the financial controller of 香港華財國際財務有限公司 (Hong Kong Hua Cai International Finance Company Limited) and the financial controller of 深圳市華潤豐實業發展有限公司 (Shenzhen Hua Run Feng Industrial Development Co., Ltd.). He is currently the chairman and general manager of 重慶瑞達投資有限公司 (Chongqing Rui Da Investment Co., Ltd.).

Mr. Yan Lihu（嚴立虎）, aged 53, was appointed as an independent non-executive Director with effect from 13 May 2013. Mr. Yan is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. Yan graduated from Department of International Finance of Tianjin University of Finance and Economics and has obtained a Master Degree of Economics. He has served as a clerk, officer, deputy section chief, section chief of 中國人民銀行江蘇省分行 (the People's Bank of China Jiangsu Branch) and an assistant to general manager, director, deputy general manager, general manager and chairman of 深圳市華新股份有限公司 (Shenzhen Huaxin Co., Ltd.), a company listed on Shenzhen Stock Exchange. He is currently an executive Director of 上海寶堃資產管理有限公司 (Shanghai Baokun Asset Management Co., Ltd.).

Mr. Cai Zhipeng（蔡志鵬）, aged 25, was appointed as an independent non-executive Director on 22 October 2015. He is a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Mr. Cai graduated from The Open University of China（中央廣播電視大學）and majored in law and is currently an undergraduate student in economic and administration management in Nanjing Political College of People's Liberation Army（中國人民解放軍南京政治學院）. Mr. Cai has served as a soldier and squad leader in Anti-terrorism Team in Shanghai Armed-Police（武警上海總隊反恐中隊）. He was an assistant director of the eleventh engineer bureau of Zhongtai Construstion Group Co., Ltd（中太建設集團第十一工程局）. He has been the legal representative and director of 上海歐買咖投資管理有限公司 (Shanghai Organic Marvelous Gratefull Management Limited) since November 2015.

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 2015 due to the suspension in trading of shares of the Company since 9:00 a.m. on 21 June 2012. Such non-compliance are 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 2015. 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 2015 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.

The then Code provisions	Reasons for the non-compliance and improvement actions took or to be taken
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 2015 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 2015 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 2015.
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 2015. The despatch of the Annual Reports 2011/2012, 2012/2013, 2013/2014 and 2014/2015, and the Interim Reports 2012/2013, 2013/2014, 2014/2015 and 2015/2016 to the Shareholders have been delayed.

The then Code provisions	Reasons for the non-compliance and improvement actions took or to be taken
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.
E.1.1, E.1.2, E.1.3, E.2.1	No general meeting was held during the year ended 30 June 2015 due to the suspension in trading of the Company's shares. General meetings of the Company shall be arranged in due course.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Trading in the shares of the Company on the Stock Exchange has been suspended at the request of the Company since 21 June 2012. The then Director who is currently still on Board has confirmed that he has complied with the required standards as set out in the Model Code during the year ended 30 June 2015.

Board of Directors

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The management was delegated the authority and responsibility by the Board for the management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

The Directors of the Company during the year and up to the date of this report are as follows:–

Executive Directors

Mr. Li Yi	
Mr. Chen Yixiang	(resigned with effect from 21 August 2012)
Mr. Yeung Sik Keung	(appointed with effect from 3 October 2012 and resigned with effect from 1 September 2015)
Ms. Yu Ying	(appointed on 29 April 2016)

Non-executive Director

Mr. Yu Hong	(resigned with effect from 4 September 2012)

Independent non-executive Directors

Mr. Toh Ka Hock David	(resigned with effect from 1 October 2011)
Prof. Woo Chia-Wei	(resigned with effect from 7 February 2013)
Mr. Che Shujian	(resigned with effect from 7 February 2013)
Mr. Lai Yat Kwong Fred	(appointed with effect from 1 October 2011 and resigned with effect from 7 February 2013)
Mr. Hu Bing	(appointed with effect from 15 May 2013)
Mr. Yan Lihu	(appointed with effect from 15 May 2013)
Mr. Wu Yi	(appointed with effect from 15 May 2013 and resigned on 22 October 2015)
Mr. Cai Zhipeng	(appointed on 22 October 2015)

The current Board members have no financial, business, family or other material/relevant relationships with each other.

Except for the period between 7 February 2013 to 15 May 2013, during which the Board did not fulfill the requirements of minimum number of independent non-executive directors under the Listing Rules, the Board has complied with the requirements of the Listing Rules in relation to the Board composition.

The biographical information of the current Directors is set out on pages 8 to 9 under the section headed "Biographical Details of Directors".

The Board decides on corporate strategies, approves overall business plans and evaluates the Group's financial performance and management. Specific tasks that the Board delegates to the Group's management include the implementation of strategies approved by the Board, the monitoring of operating budgets, the implementation of internal controls procedures, and the ensuring of compliance with relevant statutory requirements and other rules and regulations.

The Company will conduct a tailor-made training in respect of the compliance with the Listing Rules, corporate governance and/or accounting and finance issues to all the Directors and senior management of the Company.

Chairman and Chief Executive Officer

The Company does not have a separate chairman and chief executive officer and Mr. Li Yi currently performs these two roles. 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.

Non-executive Directors

The current independent non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting, finance and management. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each of the current independent non-executive Directors has confirmed their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the current independent non-executive Directors to be independent in accordance with the Listing Rules.

The current independent non-executive Directors are appointed for a term of three years which is automatically renewable upon the expiry of the said term, and they are subject to retirement by rotation in accordance with the Articles of Association of the Company (the "Articles").

Board Meetings

During the year, the Board held 6 meetings. 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 2015. Due notice of all regular Board meetings will be given to all members of the Board.

The attendance records of the then Directors at the said Board meetings are set out below.

Name of Director	**Number of attendance**
Mr. Li Yi	6/6
Mr. Yeung Sik Keung (resigned with effect from 1 September 2015)	6/6
Mr. Hu Bing	6/6
Mr. Yan Lihu	6/6
Mr. Wu Yi (resigned on 22 October 2015)	4/6

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

General Meeting

During the year ended 30 June 2015, no general meeting of the Company was held.

Nomination of Directors

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the solar industry and/or other professional area.

The Company established the Nomination Committee with written terms of reference on 13 September 2010 and currently consists of one executive Director, namely Mr. Li Yi (as chairman) and three independent non-executive Directors, namely Mr. Hu Bing, Mr. Yan Lihu and Mr. Cai Zhipeng. The terms of reference of the Nomination Committee has been revised on 29 August 2013 and is aligned with the code provisions set out in the CG Code, and is currently made available on the Stock Exchange's website and the Company's website.

The function of the Nomination Committee is reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the Chief Executive Officer.

The Board adopted on 22 August 2013 a board diversity policy (the "Board Diversity Policy") and delegated certain duties under the Policy to the Nomination Committee. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Nomination Committee will discuss and review the measurable objectives for implementing the Board Diversity Policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

During the year ended 30 June 2015, the Nomination Committee did not hold any meeting.

Remuneration of Directors

The Company established the Remuneration Committee with written terms of reference on 13 September 2010 and currently consists of one executive Director, namely Mr. Li Yi (as chairman) and three independent non-executive Directors, namely Mr. Hu Bing, Mr. Yan Lihu and Mr. Cai Zhipeng. The terms of reference of the Remuneration Committee is aligned with the code provisions set out in the CG Code and is currently made available on the Stock Exchange's website and the Company's website.

The functions of the Remuneration Committee are establishing and reviewing the policy and structure of the remuneration for the Directors and senior management.

During the year ended 30 June 2015, the Remuneration Committee did not hold any meeting.

The Company adopted a share option scheme (the "Share Option Scheme") on 13 September 2010. The purpose of the Share Option Scheme is to motivate eligible persons to maximize their future contributions to the Group, to attract and retain such eligible persons who are important to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group.

Details of the Share Option Scheme are set out in the Report of the Directors. The emolument payable to Directors will depend on their respective contractual terms under the services contracts, if any, and as recommended by the Remuneration Committee. Details of the Directors' remuneration are set out in note 13 to the audited financial statements.

Audit Committee

The Company established an audit committee (the "Audit Committee") on 13 September 2010 with written terms of reference and currently comprises three independent non-executive Directors, namely Mr. Hu Bing, Mr. Yan Lihu and Mr. Cai Zhipeng.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; reviewing the financial statements, annual reports and accounts and half-year reports of the Group; and overseeing the Company's financial reporting system and internal control system.

The terms of reference of the Audit Committee are aligned with the code provisions set out in the CG Code, and is currently made available on the Stock Exchange's website and the Company's website.

During the year ended 30 June 2015, the Audit Committee held two meetings for reviewing the management accounts of the Group.

The attendance records of the then members are set out below.

Name of Director	Number of attendance
Mr. Hu Bing	2/2
Mr. Yan Lihu	2/2
Mr. Wu Yi (resigned on 22 October 2015)	2/2

Auditor's Remuneration

The current auditor of the Company is Zhonghui Anda CPA Limited ("Zhonghui Anda"). For the year ended 30 June 2015, the remuneration paid/payable to Zhonghui Anda is set out below: –

Services rendered	Fee paid/payable
	HK$'000
Audit services	1,820
Non-audit services	180
	2,000

Shareholder Rights

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Articles. Details of such rights to demand a poll were included in the circular to shareholders in relation to the holding of general meeting and explained, together with the procedures for conducting a poll, at the commencement of the meetings.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholder at a general meeting must be taken by poll. As such, all resolutions to be proposed at the forthcoming annual general meeting of the Company will be voted by poll.

Investor Relations

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders. The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies.

However, due to the suspension in trading of the Company's Shares, despatch of the Annual Reports 2011/2012, 2012/2013, 2013/2014 and 2014/2015, and the Interim Reports 2012/2013, 2013/2014, 2014/2015 and 2015/2016 to the Shareholders has been delayed.

No general meeting was held during the year ended 30 June 2015 and up to the date of this annual report.

The Chairman of the Company will attend the forthcoming annual general meeting of the Company to answer questions of the meeting.

Directors' Responsibilities for the Financial Statements

The Board acknowledges its responsibility to prepare the Company's financial statements for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 30 June 2015, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable and 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. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Save as disclosed in the qualifications to the auditor's opinions, the Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of any other material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The annual results of the Group for the year ended 30 June 2015 have also been reviewed by the Audit Committee. The auditor of the Company had given certain qualifications in their opinion which are set out on pages 31 to 34 of this annual report which should draw the Shareholders' attention.

Internal Control

Management had implemented a system of internal control to provide reasonable assurance that the Group's assets are safeguarded, proper accounting records are maintained, appropriate legislation and regulations are complied with, reliable financial information are provided for management and publication purpose and investment and business risks affecting the Group are identified and managed.

The Board is responsible for maintaining an adequate internal control system to safeguard Shareholders' investments and Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis.

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 2015. 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.

REPORT OF THE DIRECTORS

The Directors of Trony Solar Holdings Company Limited (the "Company") is pleased to submit their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 30 June 2015.

Principal Activities

The Company is an investment holding company. The principal activities of the Group are development, manufacture and sale of solar products.

Results and Appropriations

The Group's results for the year ended 30 June 2015 are set out in the consolidated statements of profit or loss and other comprehensive income on page 35.

Share Capital

Details of movements in the Company's share capital for the year ended 30 June 2015 are set out in note 24 to the consolidated financial statements.

Property, Plant and Equipment

Movements in property, plant and equipment of the Group for the year ended 30 June 2015 are set out in note 16 to the financial statements.

Retirement Benefits Scheme

The employees of Trony Science are members of a state-managed retirement benefits scheme operated by the PRC government. Trony Science is required to contribute 10% of the total monthly basic salaries of the current employees to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The total cost charged to the consolidated statement of comprehensive income of approximately RMB1,612,000 for the year ended 30 June 2015 (2014: RMB1,576,000), represent contributions payable to the scheme for the year.

Directors' Interest in Competing Business

None of the Directors is or was interested in any business, apart from the Group's business, that competes or compared or is likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 30 June 2015 and up to and including the date of this annual report.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

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 2014 to 30 June 2015.

Distributable Reserves

As at 30 June 2015, the Company's reserves available for distribution to the Shareholders amounted to approximately RMB1,895,000.

Directors

The Directors of the Company during the year and up to the date of this report are as follows:–

Executive Directors

Mr. Li Yi	
Mr. Chen Yixiang	(resigned with effect from 21 August 2012)
Mr. Yeung Sik Keung	(appointed with effect from 3 October 2012 and resigned with effect from 1 September 2015)
Ms. Yu Ying	(appointed on 29 April 2016)

Non-executive Director

Mr. Yu Hong	(resigned with effect from 4 September 2012)

Independent Non-executive Directors

Mr. Toh Ka Hock David	(resigned with effect from 1 October 2011)
Prof. Woo Chia-Wei	(resigned with effect from 7 February 2013)
Mr. Che Shujian	(resigned with effect from 7 February 2013)
Mr. Lai Yat Kwong Fred	(appointed with effect from 1 October 2011 and resigned with effect from 7 February 2013)
Mr. Hu Bing	(appointed with effect from 15 May 2013)
Mr. Yan Lihu	(appointed with effect from 15 May 2013)
Mr. Wu Yi	(appointed with effect from 15 May 2013 and resigned on 22 October 2015)
Mr. Cai Zhipeng	(appointed on 22 October 2015)

In accordance with article 107(1) of the Company's Articles, Mr. Li Yi shall retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting of the Company.

In accordance with article 102(3) of the Company's Articles, Ms. Yu Ying, Mr. Hu Bing, Mr. Yan Lihu and Mr. Cai Zhipeng shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

Independence Confirmation

Each of the current independent non-executive Directors has confirmed their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the current independent non-executive Directors to be independent in accordance with the Listing Rules.

Share Option Scheme

Share Option Scheme

The Company adopted the share option scheme (the "Share Option Scheme") on 13 September 2010. The purpose of the Share Option Scheme is to motivate eligible persons to maximize their future contributions to the Group, to attract and retain such eligible persons who are important to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group.

The maximum number of Share which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issued as at the Listing Date, that is, 152,704,678 Shares. No option may be granted to any participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK$1.00 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

(a) the nominal value of a Share;

(b) the closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotations sheets on the offer date; and

(c) the average closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further options will be granted or offered.

Details of the Share Option Scheme are set out in the prospectus of the Company dated 24 September 2010.

Details of movement of share options during the year ended 30 June 2015 under the Share Option Scheme are as follows:–

		Number of share options							
Name or category of participants	**Outstanding as at 1 July 2015**	**Granted during the year**	**Exercised during the year**	**Cancelled during the year**	**Lapsed during the year**	**Outstanding as at 30 June 2015**	**Exercise price** *(HK$)*	**Date of Grant**	**Exercisable Period** *(Note)*
Employees	8,145,000	–	–	–	2,015,000	6,130,000	4.80	9 March 2011	9 September 2011 to 9 March 2018
Sub-total	8,145,000	–	–	–	2,015,000	6,130,000			
Total	8,145,000	–	–	–	2,015,000	6,130,000			

Note: – The first one fourth of the Share Options are exercisable from 9 September 2011;

– The second one fourth of the Share Options are exercisable from 9 September 2012;

– The third one fourth of the Share Options are exercisable from 9 September 2013; and

– The remaining one fourth of the Share Options are exercisable from 9 September 2014

All unexercised Share Options shall lapse on 9 March 2018.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.

Directors' Service Contracts

Mr. Li Yi, executive Director, has entered into a service contract with the Company on 13 September 2010 for an initial term of three years commencing on 13 September 2010, which is automatically renewable upon the expiry of the said term until termination in accordance with the provisions set out in the service contract.

Ms. Yu Ying, executive Director, did not enter into a service contract between the Company. However, she is subject to retirement and re-election at the next following annual general meeting of the Company after her appointment and thereafter subject to retirement by rotation and re-election at least once in every three years in accordance with the Articles.

Each of the independent non-executive Directors (except Mr. Cai Zhipeng) has entered into an appointment letter with the Company on 15 May 2013 for an initial term of three years commencing on 15 May 2013, which is automatically renewable for a term of three years upon the expiry of the said term until termination according to the terms of the appointment letter.

Mr. Cai Zhipeng, independent non-executive Director, has signed an appointment letter issued by the Company on 22 October 2015 for an initial term of three years commencing from 22 October 2015, which is automatically renewable for a term of three years upon the expiry of the said term until termination according to the terms of the appointment letter.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts

None of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

Directors' and Chief Executive's Interests in Shares of the Company

As at 30 June 2015, the interest or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which were notified to the Company and the Stock Exchange under the provisions of Divisions 7 and 8 of Part XV of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code ("Model Code") for Securities Transactions by Directors of Listed Issuers, are set out below:

Name of Director	Capacity/nature of interest	Long position/ short position	Number of shares	Approximate percentage of shareholding
Mr. Li Yi ("Mr. Li") (Note)	Beneficiary of a trust	Long position	621,497,910	39.22%

Note: These 621,497,910 shares are held by Sky Sense Investments Limited ("Sky Sense") and Lakes Invest Limited ("Lakes Invest") which were wholly-owned by Spring Shine International Limited, which was owned as to 50% by Seletar Limited and 50% by Serangoon Limited, as nominees and trustees for Credit Suisse Trust Limited. Credit Suisse Trust Limited is the trustee holding such interests in Lakes Invest and Sky Sense on trust for the beneficiaries of the Li Family Trust. Mr. Li is therefore deemed to be interested in all the shares held by each of Sky Sense and Lakes Invest as a beneficiary of the Li Family Trust.

Save as disclosed herein, none of the Directors or chief executives of the Company or their associates, had any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2015.

Substantial Shareholders' Interests in Shares

As at 30 June 2015, so far as is known to any Director or chief executive of the Company, the persons or corporations (other than Director or chief executive of the Company) who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept under section 336 of the SFO are as follows:

Name of shareholder	Capacity/nature of interest	Long position/ short position	Number of shares	Approximate percentage of shareholding
Spring Shine International Limited (Note 1)	Interest in a controlled corporation	Long position	620,497,910	39.16%
Credit Suisse Trust Limited (Note 1)	Trustee of a trust	Long position	620,497,910	39.16%
Seletar Limited (Note 1)	Trustee of a trust	Long position	620,497,910	39.16%
Serangoon Limited (Note 1)	Trustee of a trust	Long position	620,497,910	39.16%
Lakes Invest (Note 1)	Beneficial owner	Long position	542,700,000	34.25%
Central Huijin Investment Ltd. (Note 2)	Interest in a controlled corporation	Long position	221,674,392	13.99%
ICBC International Holdings Limited (Note 2)	Interest in a controlled corporation	Long position	221,674,392	13.99%
Industrial and Commercial Bank of China Limited (Note 2)	Interest in a controlled corporation	Long position	221,674,392	13.99%
ICBC International Fund Management Limited (Note 2)	Beneficial owner, security interest	Long position	163,722,350	10.33%

Notes:

(1) Each of Sky Sense and Lakes Invest is wholly-owned by Spring Shine International Limited, which in turn is owned as to 50% by Seletar Limited and 50% by Serangoon Limited, as nominees and trustees for Credit Suisse Trust Limited, which is acting as the trustee of the Li Family Trust. Therefore, each of Sprint Shine Trust Limited, Credit Suisse Trust Limited, Seletar Limited, Serangoon Limited is deemed to be interested in all the shares of the Company held by Sky Sense and Lakes Invest.

(2) ICBC International Fund Management and ICBC International Strategic Investment Limited are wholly-owned subsidiaries of ICBC International Holdings Limited. ICBC International Holdings Limited is a wholly owned subsidiary of Industrial and Commercial Bank of China Limited. Industrial and Commercial Bank of China Limited is controlled by Central Huijin Investment Ltd. Therefore Central Huijin Investment Ltd., Industrial and Commercial Bank of China Limited and ICBC International Holdings Limited are deemed to be interested in all shares held by ICBC International Fund Management and all shares held by ICBC International Strategic Investment Limited.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 June 2015.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Trading in the shares of the Company on the Stock Exchange has been suspended at the request of the Company since 21 June 2012. The then Director who is currently still on Board has confirmed that he has complied with the required standards as set out in the Model Code during the year ended 30 June 2015.

Major Customers and Suppliers

During the year, the Group's purchase from the five largest suppliers accounted for approximately 63% of the Group's total purchases and purchases from the largest supplier included therein accounted for approximately 19% of the Group's total purchases.

During the year, the Group's sales to the five largest customers accounted for approximately 51% of the Group's total turnover and sales to the largest customer included therein accounted for approximately 39% of the Group's total sales.

None of the Directors of the Company, their associates, nor any shareholder which to the best knowledge of the Directors own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and suppliers.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the year.

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. Hu Bing, Mr. Yan Lihu 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 2015.

Corporate Governance

A report on the principal corporate governance practices adopted by the Company is set out on pages 10 to 18 of this annual report.

Corporate Social Responsibilities

The Company is committed to well corporate social responsibilities practice in order to make contribution to the society. The achievements of the Company on corporate social responsibilities are summarized below:

2001	Made donations of RMB103,000 to earthquake area in Yajiang, Garze Tibetan Autonomous Prefecture
2002	Started the Gengdeng Sangbu Institute for Philanthropy of Huangnan State, Qinghai Province and helped to fund nearly 60,000 poor students and 32 schools have received donated teaching equipment, as well as built 2 student dormitories
2005	Donated RMB50,000 for tsunami in South Asia

2006	Funded the construction of solar power system in Tibet of approximately RMB400,000
	Funded the education of two students in remote mountainous areas of RMB30,000
	Provided scholarship of RMB5,000 for the undergraduates of Shenzhen University
	Funded the construction of roads and bridges in Hubei Province of RMB20,000
	Donated RMB100,000 to Science and Technology Department of Tibet for developing software
2007	Donated RMB36,000 to sick employees' families
2008	Funded the construction of solar power system in Namco township in Tibet of approximately RMB400,000
	Donated RMB200,000 for the earthquake in Wenchuan
2009	Donated RMB100,000 to Qinghai
	Donated RMB300,000 to Bright China Foundation
2010	Recognized for its efforts from the Army Support Foundation
2011	Donated RMB50,000 to Fukuda Charitable Foundation
2012	Expressed condolence to Student Home in Guangdong in Yingde City, Guangdong Province and donated commodity of RMB15,000
2013	Established the "Trony Technical Class" with communities and schools to help employees to promote their education, with the first group of 50 students graduating in 2016
	Donated RMB300,000 to the Education Development Foundation of Shenzhen University
2015	Donated RMB45,000 to sick employees' families
	Funded RMB10,000 to ten students participated in the 10th Meeting in Pengcheng organized by Shenzhen Youth Development Foundation
	Established the "Corporate Class of SUSTC" with South University of Science and Technology of China to realize the two-way communication between students and corporates which helped students to gain understanding on corporate operation in advance

Auditor

Deloitte Touche Tohmatsu resigned as the auditor of the Company with effect from 17 February 2015.

Zhonghui Anda CPA Limited was appointed as the auditor of the Company with effect from 17 February 2015. Zhonghui Anda CPA Limited will only hold office until the conclusion of the next following annual general meeting of the Company.

A resolution will be submitted to the forthcoming annual general meeting for the re-appointment of Zhonghui Anda CPA Limited as auditor of the Company.

On behalf of the Board
TRONY SOLAR HOLDINGS COMPANY LIMITED
Li Yi
Chairman

Hong Kong, 29 April 2016

中汇
ZHONGHUI

TO THE SHAREHOLDERS OF
TRONY SOLAR HOLDINGS COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)

We were engaged to audit the consolidated financial statements of Trony Solar Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 80, which comprise the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company (the "Directors") are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matters as described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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 2014, 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 a subsidiary

Further background is made in note 2 to the consolidated financial statements 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 subsidiary (collectively "the Subsidiary") for the year ended 30 June 2014, 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 2014, and the related disclosure notes in relation to the Subsidiary, 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 *RMB'000*
Income and expenses:	
Revenue	1,735
Cost of goods sold	(1,732)
Gross profit	3
Other income	9
Selling and distribution expenses	(2,690)
Administrative expenses	(213)
Impairment losses on various assets	(5,293)
Finance costs	(17)
Loss for the year	(8,201)

3. Property, plant and equipment

No sufficient evidence has been provided to satisfy ourselves whether the carrying amount of RMB265,672,000 of the property, plant and equipment as at 30 June 2014 were 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 RMB274,652,000 and RMB297,042,000 as at 30 June 2015 and 2014 respectively 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 2015 and 2014.

6. 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 as disclosed in notes 16 and 23 to the consolidated financial statements.

Any adjustments to the figures as described from points 1 to 6 above might have a significant consequential effect on the Group's results and cash flows for the two years ended 30 June 2015 and 2014 and the financial positions of the Group as at 30 June 2015 and 2014, 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 indicates the Group incurred a loss for the year of approximately RMB70,936,000 for the year ended 30 June 2015 and net current liabilities in the consolidated statements of financial position of the Group as at 30 June 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 financial statements. In all other respects, in our opinion, the financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Pang Hon Chung
Practising Certificate Number P05988

Hong Kong, 29 April 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	**2015** ***RMB'000***	2014 *RMB'000*
Revenue	7	**115,717**	109,705
Cost of sales and services provided		**(126,053)**	(101,668)
Gross (loss)/profit		**(10,336)**	8,037
Other income	8	**5,844**	12,315
Selling and distribution expenses		**(7,636)**	(9,639)
Administrative and other operating expenses		**(57,313)**	(67,217)
Loss from operations		**(69,441)**	(56,504)
Impairment losses on various assets	12	**(511)**	(21,281)
Finance costs	10	**(984)**	(1,178)
Loss before tax		**(70,936)**	(78,963)
Income tax	11	**–**	(1,256)
Loss for the year	12	**(70,936)**	(80,219)
Other comprehensive income/(loss):			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**365**	(34)
Total other comprehensive income/(loss) for the year		**365**	(34)
Total comprehensive loss for the year attributable to the owners of the Company		**(70,571)**	(80,253)
Loss per share	15		
Basic (RMB per share)		**(0.04)**	(0.05)
Diluted (RMB per share)		**(0.04)**	(0.05)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	Notes	2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment	16	**243,599**	265,672
Prepaid land lease payments	17	**10,134**	10,394
Investment in an associate		**–**	8,795
		253,733	284,861
Current assets			
Inventories	18	**11,399**	29,379
Trade and bills receivables	19	**22,266**	47,344
Other receivables and prepayments	20	**6,981**	10,821
Prepaid land lease payments	17	**260**	260
Bank and cash balances	21	**153,812**	208,256
		194,718	296,060
Current liabilities			
Trade and other payables	22	**293,591**	351,354
Tax payables		**–**	1,253
Bank borrowings	23	**–**	2,125
		293,591	354,732
Net current liabilities		**(98,873)**	(58,672)
NET ASSETS		**154,860**	226,189
Capital and reserves			
Share capital	24	**1,000**	1,000
Reserves	26	**153,860**	225,189
TOTAL EQUITY		**154,860**	226,189

The consolidated financial statements on pages 35 to 80 were approved and authorised for issue by the board of directors on 29 April 2016 and are signed on its behalf by:

Li Yi	**Yu Ying**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Share capital	Share premium	Statutory surplus reserve	Share-based payment reserve	Foreign currency translation reserve	Retained profits/ (Accumulated loss)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 July 2013	1,000	1,895,217	5,077	23,575	30	(1,623,605)	301,294
Total comprehensive loss for the year	–	–	–	–	(34)	(80,219)	(80,253)
Share-based payments	–	–	–	5,148	–	–	5,148
Forfeiture of share options	–	–	–	(8,187)	–	8,187	–
At 30 June 2014	1,000	1,895,217	5,077	20,536	(4)	(1,695,637)	226,189
At 1 July 2014	1,000	1,895,217	5,077	20,536	(4)	(1,695,637)	226,189
Total comprehensive income /(loss) for the year	–	–	–	–	365	(70,936)	(70,571)
Share-based payments	–	–	–	(758)	–	–	(758)
Forfeiture of share options	–	–	–	(3,810)	–	3,810	–
At 30 June 2015	1,000	1,895,217	5,077	15,968	361	(1,762,763)	154,860

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	RMB'000	*RMB'000*
Cash flows from operating activities		
Loss before tax	**(70,936)**	(78,963)
Adjustments for:		
Depreciation	**24,794**	24,396
Amortisation	**260**	260
Loss on disposal of property, plant and equipment	**–**	2,758
Interest income	**(1,041)**	(1,060)
Finance costs	**984**	1,178
Share-based payment expenses	**(758)**	5,148
Government grant	**(1,734)**	(3,295)
Unrealised foreign exchange gain	**(2,025)**	(7,623)
Impairment losses on various assets	**511**	21,281
Operating cash flows before working capital changes	**(49,945)**	(35,920)
Change in inventories	**17,980**	1,274
Change in trade and bills receivables	**24,567**	(24,340)
Change in other receivables and prepayments	**3,840**	1,617
Change in trade and other payables	**(57,763)**	15,076
Cash used in operations	**(61,321)**	(42,293)
Income tax paid	**(1,253)**	(3)
Net cash used in operating activities	**(62,574)**	(42,296)

CONSOLIDATED STATEMENT OF CASH FLOWS – *continued*

	2015	2014
	RMB'000	*RMB'000*
Cash flows from investing activities		
Purchase of property, plant and equipment	**(2,899)**	(1,212)
Interest received	**1,041**	1,060
Proceeds from disposals of an associate	**8,795**	–
Net cash generated from/(used in) investing activities	**6,937**	(152)
Cash flows from financing activities		
New borrowings raised	**–**	4,300
Repayment of borrowings	**(2,125)**	(30,100)
Government grant received	**1,734**	3,295
Interest paid	**(984)**	(1,178)
Net cash used in financing activities	**(1,375)**	(23,683)
Net decrease in cash and cash equivalents	**(57,012)**	(66,131)
Effect of foreign exchange rate changes	**2,568**	7,388
Cash and cash equivalents at beginning of year	**208,256**	266,999
Cash and cash equivalents at end of year	**153,812**	208,256
Analysis of cash and cash equivalents		
Bank and cash balances	**153,812**	208,256

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 changed from Unit 713, 7/F, Lakeside 1, 8 Science Park Avenue West, Hong Kong Science Park, Shatin, New Territories to Room 1001, 10/F., OfficePlus, No. 93-103 Wing Lok Street, Sheung Wan, Hong Kong during the year ended 30 June 2015. Subsequent to the end of the reporting period, its principal place of business has been changed to Room 1502, 15th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central from 16 September 2015. 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. The principal activities of the Company's subsidiaries are set out in note 30 to the financial statements.

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.

2. BASIS OF PREPARATION – *continued*

Suspension of trading in shares of the Company – *continued*

On 20 July 2012, the Company also appointed King & Wood Mallesons ("KWM") as the Company's legal adviser as to Hong Kong 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.

2. BASIS OF PREPARATION – *continued*

Suspension of trading in shares of the Company – *continued*

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 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.

2. BASIS OF PREPARATION – *continued*

Going concern

The Group incurred a loss of approximately RMB70,936,000 for the year ended 30 June 2015 and net current liabilities in the consolidated statements of financial position of the Group as at 30 June 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 2014. 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. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRSs, and the applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention. The functional currencies of the Company and its major subsidiaries in the PRC is Renminbi ("RMB"). For the purpose of presenting the consolidated financial statements, the Group adopted RMB as its presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

The preparation of financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 5 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June 2015. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's presentation currency and the functional currency of the principal operating subsidiaries of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Foreign currency translation – *continued*

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lifes on a straight-line basis. The principal annual rates are as follows:

Buildings	Over the shorter of lease terms or 5%
Plant and machinery	6.67% – 10%
Furniture, fixtures and equipment	10% – 20%
Motor vehicles	10%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Operating leases

The Group as lessee

Leases that do not substantially transfer all the risks and rewards of ownership of assets to the Group are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the recoverable amount of the receivables can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

(a) Revenues from the sales of manufactured goods and trading of raw materials are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

(b) Interest income is recognised on a time-proportion basis using the effective interest method.

(c) Revenue from construction contracts is recognised under the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for each contract. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' relevant income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also participates in a defined contribution retirement scheme organised by the government in the PRC. The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Employee benefits – *continued*

(c) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Taxation – *continued*

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Group (reporting entity) if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Related parties – *continued*

(b) An entity is related to the Group (reporting entity) if any of the following conditions applies: – *continued*

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than inventories and receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

4. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Impairment of assets – *continued*

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment of property, plant and equipment

The Group appointed an independent professional valuer to assess the fair values of property, plant and equipment. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Based on this valuation, impairment of property, plant and equipment has to be made if the carrying amounts of certain property, plant and equipment are higher than their fair values.

(c) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions. The Group will reassess the estimates by the end of each reporting period.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES – *continued*

Key sources of estimation uncertainty – *continued*

(d) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(e) Allowance for slow-moving inventories and net realisable value of inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to serve industry cycles. The Group will reassess the estimates by the end of each reporting period.

(f) Income tax

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group's is exposed to currency risks primarily arising from the its bank balances in United States dollar ("USD"). At the end of the reporting period, if USD had strengthened or weakened by 5% (2014: 5%) against RMB, with all other variables held constant, the Group's (loss)/profit after tax for the year would have been approximately RMB1,511,000 (2014: approximately RMB2,074,000) lower or higher, mainly as a result of foreign exchange gains or losses on translation.

The Group's is also exposed to currency risks primarily arising from the its bank balances in Hong Kong dollar ("HK$"). At the end of the reporting period, if HK$ had strengthened or weakened by 5% (2014: 5%) against RMB, with all other variables held constant, the Group's (loss)/profit after tax for the year would have been approximately RMB2,896,000 (2014: approximately RMB4,260,000) lower or higher, mainly as a result of foreign exchange gains or losses on translation.

(b) Credit risk

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables and bank balances. In order to minimise credit risk, the Directors review the recoverable amount of each individual receivable regularly to ensure that adequate impairment losses are recognised for irrecoverable receivable. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

At the end of the reporting period, the Group had certain concentration of credit risk as approximately 27.9% (2014: 31.2%) and 35.4% (2014: 32.2%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively.

6. FINANCIAL RISK MANAGEMENT – *continued*

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

2015	**within 1 year or on demand** *RMB'000*	**Total contractual undiscounted cash flow** *RMB'000*	**Carrying amounts** *RMB'000*
Trade and other payables	**207,773**	**207,773**	**207,773**

2014	within 1 year or on demand *RMB'000*	Total contractual undiscounted cash flow *RMB'000*	Carrying amounts *RMB'000*
Trade and other payables	267,497	267,497	267,497
Bank borrowings	2,401	2,401	2,125
	269,898	269,898	269,622

(d) Interest rate risk

At 30 June 2015, as the Group has minimal exposure to interest rate risk, the Group's operating cash flows are substantially independent of changes in market interest rates.

6. FINANCIAL RISK MANAGEMENT – *continued*

(e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) Categories of financial instruments

	2015	2014
	RMB'000	*RMB'000*
Financial assets		
Loans and receivables:		
Trade and bills receivables	**22,266**	47,344
Other receivables	**3,960**	7,698
Bank and cash balances	**153,812**	208,256
	180,038	263,298
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	**207,773**	267,497
Bank borrowings	**–**	2,125
	207,773	269,622

7. REVENUE

The Group's revenue is analysed as follows:

	2015	2014
	RMB'000	*RMB'000*
Sales of goods	**98,006**	48,545
Contract services income	**17,711**	61,160
	115,717	109,705

8. OTHER INCOME

	2015	2014
	RMB'000	*RMB'000*
Government grants	**1,734**	3,295
Interest income	**1,041**	1,060
Net foreign exchange gain	**2,025**	7,623
Others	**1,044**	337
	5,844	12,315

9. 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.

The accounting policies of the operating segments are the same as those described in note 4 to the financial statements. Segment profits or losses do not include interest income, income tax, impairment losses 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.

9. SEGMENT INFORMATION – *continued*

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 2015:			
Revenue from external customers	17,711	98,006	115,717
Segment loss	(5,711)	(47,151)	(52,862)
Depreciation	1	22,064	22,065
Income tax	–	–	–
Other material non-cash items:			
Impairment losses on various assets	–	511	511
Additions to segment non-current assets	–	2,899	2,899
At 30 June 2015:			
Segment assets	12,754	267,046	279,800
Segment liabilities	10,773	274,651	285,424
Year ended 30 June 2014:			
Revenue from external customers	61,160	48,545	109,705
Segment 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

9. SEGMENT INFORMATION – *continued*

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

	2015	2014
	RMB'000	*RMB'000*
Profit or loss:		
Total profit of reportable segments	**(52,862)**	(38,112)
Impairment losses on various assets	**(511)**	(21,281)
Corporate and unallocated profit or loss	**(17,563)**	(19,570)
Consolidated loss before tax	**(70,936)**	(78,963)
Assets:		
Total assets of reportable segments	**279,800**	351,066
Investment in an associate	**–**	8,795
Bank and cash balances	**153,812**	208,256
Corporate and unallocated assets	**14,839**	12,804
Consolidated total assets	**448,451**	580,921
Liabilities:		
Total liabilities of reportable segments	**285,424**	335,198
Corporate and unallocated liabilities	**8,167**	19,534
Consolidated total liabilities	**293,591**	354,732

Geographical information:

	2015	2014
	RMB'000	*RMB'000*
Revenue:		
The PRC	**114,473**	107,970
Others	**1,244**	1,735
	115,717	109,705

9. SEGMENT INFORMATION – *continued*

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

	2015	2014
	RMB'000	*RMB'000*
Customer A	*	57,573
Customer B	**45,110**	*

* *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.

	2015	2014
	RMB'000	*RMB'000*
Non-current assets:		
The PRC	**243,110**	265,462
United States of America	**10,623**	19,399
	253,733	284,861

10. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest on bank borrowings	**984**	1,178

11. INCOME TAX

	2015	2014
	RMB'000	*RMB'000*
Current tax:		
– Provision for the PRC enterprise income tax	**–**	1,256

11. INCOME TAX – *continued*

No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2015 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:

	2015	2014
	RMB'000	*RMB'000*
Loss before tax	**(70,936)**	(78,963)
Notional tax on profit before tax calculated at the PRC statutory rate	**(17,734)**	(19,741)
Effect of different tax rates in other tax jurisdictions	**2,544**	3,265
Tax effect of non-deductible expenses	**5,682**	11,091
Tax effect of tax losses not recognized	**10,448**	9,370
Tax effect of non-taxable income	**(940)**	(2,729)
Income tax for the year	**–**	1,256

At the end of the reporting period the Group has unused tax losses of approximately RMB198,025,000 (2014: approximately RMB156,234,000) available for offset against future profits. The directors of the Company considered not to recognize any deferred tax assets due to the unpredictability of future profit stream.

12. LOSS FOR THE YEAR

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

	2015	2014
	RMB'000	*RMB'000*
Auditor's remuneration	**1,583**	1,583
Cost of inventories sold and services provided	**126,053**	101,668
Depreciation	**24,794**	24,396
Amortisation of prepaid land lease payments	**260**	260
Net foreign exchange gain	**(2,025)**	(7,623)
Net loss on disposals of property, plant and equipment	**–**	2,758
Impairment losses on various assets:		
Inventories	**–**	2,092
Trade receivables	**511**	12,886
Prepayments, deposits and other receivables	**–**	6,303
	511	21,281
Staff costs (including directors' remuneration – note 13):		
Salaries, bonus and allowances	**23,574**	22,620
Equity-settled share-based payments	**(758)**	5,148
Retirement benefits scheme contributions	**1,612**	1,576
	24,428	29,344

13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

The emoluments of each Director were as follows:

	Notes	Fee *RMB'000*	Salaries and allowances *RMB'000*	Share-based payments *RMB'000*	Retirement benefit scheme contributions *RMB'000*	Total *RMB'000*
Executive Directors						
Mr. Li Yi		**–**	**1,748**	**–**	**87**	**1,835**
Mr. Yeung Sik Keung	1	**–**	**420**	**–**	**21**	**441**
Independent Non-executive Directors						
Mr. Yan Lihu	2	**294**	**–**	**–**	**–**	**294**
Mr. Hu Bing	2	**294**	**–**	**–**	**–**	**294**
Mr. Wu Yi	2	**294**	**–**	**–**	**–**	**294**
Total for 2015		**882**	**2,168**	**–**	**108**	**3,158**

	Notes	Fee *RMB'000*	Salaries and allowances *RMB'000*	Share-based payments *RMB'000*	Retirement benefit scheme contributions *RMB'000*	Total *RMB'000*
Executive Directors						
Mr. Li Yi		–	582	–	29	611
Mr. Chen Yixiang	1	–	200	–	10	210
Independent Non-executive Directors						
Mr. Yan Lihu	2	49	–	–	–	49
Mr. Hu Bing	2	49	–	–	–	49
Mr. Wu Yi	2	49	–	–	–	49
Total for 2014		147	782	–	39	968

Notes

1 Appointed on 3 October 2012 and resigned on 1 September 2015

2 Appointed on 15 May 2013

13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS – *continued*

The five highest paid individuals in the Group during the year included one (2014:one) director whose emoluments are reflected in the analysis presented above. The emoluments of the remaining four (2014: four) individuals are set out below:

	2015	2014
	RMB'000	*RMB'000*
Basic salaries and allowances	**2,025**	2,017
Retirement benefit scheme contributions	**(96)**	903
	1,929	2,920

The emoluments fell within the following band:

	Number of individuals	
	2015	2014
Nil to HK$1,000,000	**4**	4

During the year, no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

14. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 June 2015 (2014: nil).

15. 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 RMB70,936,000 (2014: approximately RMB80,219,000) and the weighted average number of approximately 1,586,183,000 (2014: 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 2015 and 30 June 2014.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
At 1 July 2013	191,612	632,315	4,569	2,503	39,280	870,279
Additions	–	934	118	–	160	1,212
Transfers	–	39,258	–	–	(39,258)	–
Disposals	–	(9,564)	(261)	(65)	–	(9,890)
Currency realignment	117	6	5	–	–	128
At 30 June 2014 and 1 July 2014	191,729	662,949	4,431	2,438	182	861,729
Additions	–	873	71	380	1,575	2,899
Currency realignment	(169)	(9)	(6)	–	–	(184)
At 30 June 2015	**191,560**	**663,813**	**4,496**	**2,818**	**1,757**	**864,444**
Accumulated depreciation and impairment						
At 1 July 2013	24,948	550,487	2,216	1,120	–	578,771
Charge for the year	8,616	14,930	616	234	–	24,396
Disposals	–	(6,993)	(77)	(62)	–	(7,132)
Currency realignment	15	6	1	–	–	22
At 30 June 2014 and 1 July 2014	33,579	558,430	2,756	1,292	–	596,057
Charge for the year	8,433	15,690	476	195	–	24,794
Currency realignment	(3)	(1)	(2)	–	–	(6)
At 30 June 2015	**42,009**	**574,119**	**3,230**	**1,487**	**–**	**620,845**
Carrying amounts						
At 30 June 2015	**149,551**	**89,694**	**1,266**	**1,331**	**1,757**	**243,599**
At 30 June 2014	158,150	104,519	1,675	1,146	182	265,672

At the end of the reporting period, the carrying amount of property, plant and equipment amounting to RMB nil (2014: RMB50,669,000) have been pledged as security for the Group's bank loan.

17. PREPAID LAND LEASE PAYMENTS

	2015	2014
	RMB'000	*RMB'000*
Non-current portion	**10,134**	10,394
Current portion	**260**	260
	10,394	10,654

The Group's prepaid land lease payments represent payments for land use rights in the PRC under medium term leases.

18. INVENTORIES

	2015	2014
	RMB'000	*RMB'000*
Raw materials	**3,154**	5,929
Work in progress	**1,225**	3,544
Finished goods	**7,020**	19,906
	11,399	29,379

19. TRADE AND BILLS RECEIVABLES

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

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**18,346**	42,804
Bills receivables	**3,920**	4,540
	22,266	47,344

19. TRADE AND BILLS RECEIVABLES – *continued*

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.

	2015	2014
	RMB'000	*RMB'000*
60 days or less	**6,724**	4,535
61 to 120 days	**2,114**	39,322
121 to 180 days	**11,527**	1,246
Over 180 days	**1,901**	2,241
	22,266	47,344

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:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**8,838**	43,857
Less than 90 days past due	**11,527**	1,246
Over 90 days past due	**1,901**	2,241
	22,266	47,344

20. OTHER RECEIVABLES AND PREPAYMENTS

	2015	2014
	RMB'000	*RMB'000*
Prepayments	**3,021**	3,123
Deposits	**1,633**	1,660
Value-added tax receivables	**1,452**	2,350
Other receivables	**875**	3,688
	6,981	10,821

21. BANK AND CASH BALANCES

The Group's bank balances carry interest at market rates which range from 0.01% to 1.27% per annum as at 30 June 2015 (2014: 0.01% to 1.27% per annum).

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

22. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**197,400**	236,676
Bills payables	**1,499**	1,609
	198,899	238,285
Accrued expenses	**4,850**	5,870
Salaries and staff welfare payables	**2,366**	1,377
Receipts in advance	**85,818**	83,857
Others	**1,658**	21,965
	293,591	351,354

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:

	2015	2014
	RMB'000	*RMB'000*
90 days or less	**3,317**	3,667
91 to 180 days	**902**	849
Over 180 days	**194,680**	233,769
	198,899	238,285

23. BANK BORROWINGS

	2015	2014
	RMB'000	*RMB'000*
Bank borrowings	**–**	2,125
The borrowings are repayable as follows:		
On demand or within one year	**–**	2,125
Less: Amount due for settlement within 12 months (shown under current liabilities)	**–**	(2,125)
Amount due for settlement after 12 months	**–**	–

The bank loan is pledged by the Group's property which has a carrying value of approximately RMB50,669,000 as at 30 June 2014. The bank borrowings carry variable interest rate in average at 7.48% (2014: 7.48%).

All the borrowings are denominated in RMB.

24. SHARE CAPITAL

	Number of shares	**Amount**
		US$
Authorised:		
Ordinary shares at US$0.0001 each		
At 1 July 2013, 30 June 2014 and 30 June 2015	5,000,000,000	500,000

24. SHARE CAPITAL – *continued*

	Number of shares	Amount	Shown in the consolidated financial statements as
		US$	*RMB'000*
Issued and fully paid:			
Ordinary shares at US$0.0001 each			
At 1 July 2013, 30 June 2014 and 30 June 2015	1,584,683,486	149,468	1,000

25. SHARE-BASED PAYMENT TRANSACTIONS

On 13 September 2010, a share option scheme (the "Scheme") was approved and adopted by a resolution of the board of directors. The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange.

The total number of shares in respect of which option may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The exercise price is determined by directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant as quoted on the quotation sheet on the Stock Exchange, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant as quoted on the quotation sheet on the Stock Exchange; and (iii) the nominal value of the Company's share.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

On 9 March 2011, the Company has granted to eligible participants, including directors and other employees of the Company, a total of 24,910,000 share options to subscribe for ordinary shares of nominal value of US$0.0001 each in the share capital of the Company under pursuant to the Scheme. One fourth of the options will vest on 9 September 2011 and on each of the three subsequent anniversaries thereafter. All unexercised options shall lapse on 9 March 2018.

25. SHARE-BASED PAYMENT TRANSACTIONS – *continued*

The estimated fair values of the options at the date of grant and the inputs into the Binomial model were as follows:

Independent directors

	At September 9,			
Expected vesting date	**2011**	**2012**	**2013**	**2014**
Share price at grant date	HK$4.800	HK$4.800	HK$4.800	HK$4.800
Exercise price	HK$4.800	HK$4.800	HK$4.800	HK$4.800
Expected volatility	83.48%	83.48%	83.48%	83.48%
Expected life	0.5 year	1.5 years	2.5 years	3.5 years
Risk-free rate	2.44%	2.44%	2.44%	2.44%
Expected dividend yield	0%	0%	0%	0%
Expected fair value per option	HK$2.9407	HK$3.1096	HK$3.2666	HK$3.3954

Other employees

	At September 9,			
Expected vesting date	**2011**	**2012**	**2013**	**2014**
Share price at grant date	HK$4.800	HK$4.800	HK$4.800	HK$4.800
Exercise price	HK$4.800	HK$4.800	HK$4.800	HK$4.800
Expected volatility	83.48%	83.48%	83.48%	83.48%
Expected life	0.5 year	1.5 years	2.5 years	3.5 years
Risk-free rate	2.44%	2.44%	2.44%	2.44%
Expected dividend yield	0%	0%	0%	0%
Expected fair value per option	HK$2.7599	HK$2.9826	HK$3.1798	HK$3.3466

The expected volatility of the future ordinary share price was based on the price volatility of the shares comparable in the industry, which are listed and publicly traded over the most recent period, equal to the expected maturity period of the issued options.

25. SHARE-BASED PAYMENT TRANSACTIONS – *continued*

Details of the share options outstanding during the year are as follows:

	2015		2014	
	Number of share options	**Weighted average exercise price** *HK$*	Number of share options	Weighted average exercise price *HK$*
Outstanding at the beginning of the year	**8,145,000**	**4.8**	10,442,000	4.8
Forfeited during the year	**(2,015,000)**	**4.8**	(2,297,000)	4.8
Outstanding at the end of the year	**6,130,000**	**4.8**	8,145,000	4.8
Exercisable at the end of the year	**6,130,000**	**4.8**	6,108,750	4.8

26. RESERVES

(a) The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature of the statutory reserve of the Group

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

26. RESERVES – *continued*

(b) Nature of the statutory reserve of the Group – *continued*

(ii) Foreign currency translation reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operation. The reserve is dealt with in accordance with the accounting policy set out in note 4.

(iii) Statutory surplus

Transfers from retained earnings to statutory reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

Statutory reserve fund can be used to make good previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the statutory reserve fund after such conversion is not less than 25% of their registered capital.

The Company's subsidiaries in the PRC are required to transfer a minimum of 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations, to the statutory reserve fund until the reserve balance reaches 50% of the registered capital. The transfer to this fund must be made before distribution of dividends to owners.

The statutory surplus reserve is non-distributable and the transfer to the reserve is determined by a resolution passed by the board of directors of Shenzhen Trony Science and Technology Development Co., Ltd. 深圳市創益科技發展有限公司 ("Trony Science") in accordance with its Articles of Association. Statutory surplus reserve can be used to make up for previous years' losses or converted into additional capital of Trony Science.

26. RESERVES – *continued*

(c) Reserves of the Company

	Share premium *RMB'000*	Share-based payment reserve *RMB'000*	Accumulated loss *RMB'000*	Total *RMB'000*
At 1 July 2013	1,895,217	23,575	(1,618,004)	300,788
Total comprehensive loss for the year	–	–	(73,723)	(73,723)
Share-based payments	–	5,148	–	5,148
Forfeiture of share options	–	(8,187)	8,187	–
At 30 June 2014	1,895,217	20,536	(1,683,540)	232,213
At 1 July 2014	1,895,217	20,536	(1,683,540)	232,213
Total comprehensive loss for the year	–	–	(77,885)	(77,885)
Share-based payments	–	(758)	–	(758)
Forfeiture of share options	–	(3,810)	3,810	–
At 30 June 2015	1,895,217	15,968	(1,757,615)	153,570

27. SUMMARISED FINANCIAL POSITION OF THE COMPANY

	2015	2014
	RMB'000	*RMB'000*
Non-current assets		
Investments in subsidiaries	**–**	–
Amounts due from subsidiaries	**221,527**	293,535
	221,527	293,535
Current assets		
Other receivables and prepayments	**79**	78
Bank and cash balances	**1,056**	1,844
	1,135	1,922
Current liabilities		
Amounts due to subsidiaries	**70,546**	66,374
Accruals and other payables	**7,546**	5,870
	78,092	72,244
Net current liabilities	**(76,957)**	(70,322)
NET ASSETS	**144,570**	223,213
Capital and reserves		
Share capital	**1,000**	1,000
Reserves	**143,570**	222,213
TOTAL EQUITY	**144,570**	223,213

28. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

The emoluments of the Company's Directors, who are also identified as members of key management of the Group, are set out in note 13.

29. LEASE COMMITMENTS

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are analysed as follows:

	Group	
	2015	2014
	RMB'000	*RMB'000*
Within one year	**665**	665
In the second to fifth year inclusive	**2,645**	2,698
Over five years	**–**	612
	3,310	3,975

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The table below lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY – *continued*

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of the ownership interest/ voting power Direct	Indirect	Principal activities
Trony Solar Holdings (Hong Kong) Limited	Hong Kong	HK$100	100%	–	Investment holding
Shenzhen Trony Science and Technology Development Co., Ltd* #	The PRC	RMB300,000,000	–	100%	Development, manufacture and sales of solar products
Sure Goal Limited	BVI	100 ordinary shares of US$1 each	–	100%	Investment holding
Trony East Africa Limited	Nairobi, Kenya	Kenya Shilling 10,000	–	100%	sales of solar products

* The English name is for identification purpose only

Wholly-foreign-owned enterprises

31. 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 financial statements.

32. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29 April 2016.

FINANCIAL SUMMARY

	Year ended 30 June				
	2011	2012	2013	2014	**2015**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
RESULTS					
Turnover	1,961,582	141,788	94,189	109,705	**115,717**
Profit/(loss) for the year	543,988	(2,595,716)	(171,043)	(80,219)	**(70,936)**

	As at 30 June				
	2011	2012	2013	2014	**2015**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
ASSETS AND LIABILITIES					
Total assets	3,432,618	910,733	665,497	580,921	**448,451**
Total liabilities	(335,105)	(449,391)	(364,203)	(354,732)	**(293,591)**
Shareholders' fund	3,097,513	461,342	301,294	226,189	**154,860**