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

(Incorporated in the Cayman Islands with limited liability)

(stock code: 2468)

ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2016

The board (the "**Board**") of Directors (the "**Directors**") of Trony Solar Holdings Company Limited (the "**Company**") announces the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 30 June 2016. These results have been reviewed by the Company's Audit Committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 RMB'000	2015 RMB'000
Revenue	4	**37,102**	115,717
Cost of sales and services provided		**(38,349)**	(126,053)
Gross loss		**(1,247)**	(10,336)
Other income	5	**15,609**	5,844
Selling and distribution expenses		**(6,571)**	(7,636)
Administrative and other operating expenses		**(62,895)**	(57,313)
Loss from operations		**(55,104)**	(69,441)
Impairment losses on various assets	9	**(2,946)**	(511)
Finance costs	7	**–**	(984)
Loss before tax		**(58,050)**	(70,936)
Income tax	8	**–**	–
Loss for the year attributable to the owners of the Company	9	**(58,050)**	(70,936)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**3,618**	365
Total other comprehensive income for the year		**3,618**	365
Total comprehensive loss for the year attributable to the owners of the Company		**(54,432)**	(70,571)
Loss per share	11		
Basic *(RMB per share)*		**(0.04)**	(0.04)
Diluted *(RMB per share)*		**(0.04)**	(0.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Notes	2016 RMB'000	2015 RMB'000
Non-current assets			
Property, plant and equipment		**222,026**	243,599
Prepaid land lease payments		**9,874**	10,134
		231,900	253,733
Current assets			
Inventories		**8,188**	11,399
Trade and bills receivables	*12*	**13,862**	22,266
Other receivables and prepayments		**6,848**	6,981
Prepaid land lease payment		**260**	260
Bank and cash balances		**132,669**	153,812
		161,827	194,718
Current liabilities			
Trade and other payables	*13*	**293,299**	293,591
Net current liabilities		**(131,472)**	(98,873)
NET ASSETS		**100,428**	154,860
Capital and reserves			
Share capital		**1,000**	1,000
Reserves		**99,428**	153,860
TOTAL EQUITY		**100,428**	154,860

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Trony Solar Holdings Company Limited (the "Company") was incorporated in the Cayman Islands on 23 June 2006 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands. The address of the Company's principal place of business in Hong Kong is Room 1502, 15th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading since 21 June 2012.

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

2. BASIS OF PREPARATION

Suspension of trading in shares of the Company

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On 5 September 2016, the Company received a letter from Stock Exchange. The Listing Committee considered the submissions and decided to uphold the Listing Department's decision to commence the procedures to cancel the Company's listing.

The Company made written submissions on 9 September 2016 to the Stock Exchange to plead with the Stock Exchange to reconsider its intention to commence procedures to cancel the listing of the Company. The Company received a letter from the Stock Exchange dated 12 September 2016, stating that further review hearing was scheduled on 22 November 2016.

Going concern

The Group incurred a loss of approximately RMB58,050,000 for the year ended 30 June 2016 and net current liabilities of approximately RMB131,472,000 in the consolidated statements of financial position of the Group as at 30 June 2016. 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 2015. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group financial statements and amounts reported for the current year and prior years.

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

4. REVENUE

The Group's revenue is analysed as follows:

	2016	2015
	RMB'000	*RMB'000*
Sales of goods	**35,139**	98,006
Contract services income	**1,963**	17,711
	37,102	115,717

5. OTHER INCOME

	2016	2015
	RMB'000	*RMB'000*
Government grants *(note)*	**4,628**	1,734
Interest income	**422**	1,041
Net foreign exchange gain	**5,550**	2,025
Waiver of trade payables	**4,307**	–
Others	**702**	1,044
	15,609	5,844

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

6. SEGMENT INFORMATION

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

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

Information about reportable segment loss, assets and liabilities:

	Construction of Photovoltaic cells *RMB'000*	Manufacture and Sale of Solar products *RMB'000*	Total *RMB'000*
Year ended 30 June 2016:			
Revenue from external customers	1,963	35,139	37,102
Segment loss	(2,207)	(42,615)	(44,822)
Depreciation	1	24,320	24,321
Income tax	–	–	–
Other material non-cash items:			
Impairment losses on various assets	–	2,946	2,946
Additions to segment non-current assets	–	3,776	3,776
At 30 June 2016:			
Segment assets	7,666	238,070	245,736
Segment liabilities	2,261	274,787	277,048
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

Reconciliations of reportable segment loss, assets and liabilities:

	2016	2015
	RMB'000	*RMB'000*
Loss:		
Total loss of reportable segments	**(44,822)**	(52,862)
Impairment losses on various assets	**(2,946)**	(511)
Corporate and unallocated loss	**(10,282)**	(17,563)
Consolidated loss before tax	**(58,050)**	(70,936)
Assets:		
Total assets of reportable segments	**245,736**	279,800
Bank and cash balances	**132,669**	153,812
Corporate and unallocated assets	**15,322**	14,839
Consolidated total assets	**393,727**	448,451
Liabilities:		
Total liabilities of reportable segments	**277,048**	285,424
Corporate and unallocated liabilities	**16,251**	8,167
Consolidated total liabilities	**293,299**	293,591

Geographical information:

	2016	2015
	RMB'000	*RMB'000*
Revenue:		
The PRC	32,756	114,473
Others	4,346	1,244
	37,102	115,717

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

	2016	2015
	RMB'000	*RMB'000*
Customer A	*	45,110

* No corresponding revenue contributes 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 customers.

	2016	2015
	RMB'000	*RMB'000*
Non-current assets:		
The PRC	**219,693**	243,110
United States of America	**12,207**	10,623
	231,900	253,733

7. FINANCE COSTS

	2016	2015
	RMB'000	*RMB'000*
Interest on bank borrowings	**–**	984

8. INCOME TAX

	2016	2015
	RMB'000	*RMB'000*
Current tax:		
– Provision for the PRC enterprise income tax	**–**	–

No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2016 and 2015 as the Group did not generate any assessable profits arising from Hong Kong during both years. Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

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

	2016	2015
	RMB'000	*RMB'000*
Loss before tax	**(58,050)**	(70,936)
Notional tax on loss before tax calculated at the PRC statutory rate	**(14,513)**	(17,734)
Effect of different tax rates in other tax jurisdictions	**1,185**	2,544
Tax effect of non-deductible expenses	**6,435**	5,682
Tax effect of tax losses not recognised	**8,072**	10,448
Tax effect of non-taxable income	**(1,179)**	(940)
Income tax for the year	**–**	–

9. LOSS FOR THE YEAR

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

	2016	2015
	RMB'000	*RMB'000*
Auditor's remuneration	**1,461**	1,583
Cost of inventories sold and services provided	**38,349**	126,053
Depreciation	**25,524**	24,794
Amortisation of prepaid land lease payments	**260**	260
Net loss on disposals of property, plant and equipment	**274**	–
Impairment losses on various assets:		
Property, plant and equipment	**1,301**	–
Trade and bills receivables	**874**	511
Prepayments, deposits and other receivables	**771**	–
	2,946	511
Staff costs (including directors' remuneration):		
Salaries, bonus and allowances	**19,102**	23,574
Equity-settled share-based payments	**–**	(758)
Retirement benefits scheme contributions	**1,474**	1,612
	20,576	24,428
Net foreign exchange gain	**(5,550)**	(2,025)

10. DIVIDENDS

Directors do not recommend payment of any dividend for the year ended 30 June 2016 (2015: nil).

11. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company at approximately RMB58,050,000 (2015: approximately RMB70,936,000) and the weighted average number of 1,584,683,486 (2015: 1,584,683,486) ordinary shares in issue during the year.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 30 June 2016 and 30 June 2015.

12. TRADE AND BILLS RECEIVABLES

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

	2016	2015
	RMB'000	*RMB'000*
Trade receivables	**13,762**	18,346
Bills receivables	**100**	3,920
	13,862	22,266

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

	2016	2015
	RMB'000	*RMB'000*
60 days or less	**3,847**	6,724
61 to 120 days	**3,859**	2,114
121 to 180 days	**1,145**	11,527
Over 180 days	**5,011**	1,901
	13,862	22,266

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 is as follows:

	2016	2015
	RMB'000	*RMB'000*
Neither past due nor impaired	**7,706**	8,838
Less than 90 days past due	**1,145**	11,527
Over 90 days past due	**5,011**	1,901
	13,862	22,266

13. TRADE AND OTHER PAYABLES

	2016	2015
	RMB'000	*RMB'000*
Trade payables	**192,733**	197,400
Bills payables	**1,621**	1,499
	194,354	198,899
Accrued expenses	**3,670**	4,850
Salaries and staff welfare payables	**1,560**	2,366
Receipts in advance	**88,732**	85,818
Others	**4,983**	1,658
	293,299	293,591

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 ageing analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2016	2015
	RMB'000	*RMB'000*
90 days or less	**3,928**	3,317
91 to 180 days	**1,994**	902
Over 180 days	**188,432**	194,680
	194,354	198,899

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The auditor of the Company has expressed qualified opinion on the Company's consolidated financial statements of the Group for the year ended 30 June 2016, An extract of which is as follows:

Basis for disclaimer of opinion

1. Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 30 June 2015, 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. Trade and other payables

No sufficient evidence has been provided to satisfy ourselves as to the carrying amount of the trade and other payables amounted to approximately RMB265,697,000 and RMB274,652,000 as at 30 June 2016 and 2015 respectively are fairly stated.

3. Commitments and contingent liabilities

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 30 June 2016 and 2015.

Any adjustments to the figures as described from points 1 to 3 above might have a significant consequential effect on the Group's results and cash flows for the two years ended 30 June 2016 and 2015 and the financial positions of the Group as at 30 June 2016 and 2015, 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 of approximately RMB58,050,000 for the year ended 30 June 2016 and net current liabilities of approximately RMB131,472,000 in the consolidated statements of financial position of the Group as at 30 June 2016. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of the extent of the uncertainty relating to the future working capital sufficiency of the Group, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Disclaimer of opinion

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

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 30 June 2016, the Group generated revenue of approximately RMB37,102,000, with a gross loss of approximately RMB1,247,000, and a net loss of approximately RMB58,050,000.

During 2016 financial year, faced with adverse market conditions, both the construction of photovoltaic cells segment and the manufacture and sale of solar products segment reported significant decreases in business volumes to approximately RMB1,963,000 and approximately RMB35,139,000 respectively. Gross margins of the two segments before depreciation of excessive production capacity slightly decreased due to market conditions. No new construction projects were contracted during 2016 financial year, due to the fact that the Group had started and will continue to adopt a more conservative approach in tendering its new projects that would usually require advances in project costs.

With the depreciation of Renminbi against US Dollars and Hong Kong Dollars, receipt of government grants and some write back of aged payables, the Group recorded a substantial increase in other income.

On the expense side, due to an increase in legal and professional fees, the Group recorded an overall increase in its expenses.

The Group's headcount decreased from 261 in 2015 to 184 in 2016. The Group continued with improvement programs designed to streamline its operations and increase productivity.

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

Yard lamp cells business was facing fierce competition by the crystalline silicon photovoltaic cells, which provided higher yields with lower costs. As a result, this line of business was only maintained at a minimal level.

There were no orders received for solar cell modules and solar power systems in 2016.

No new engineering projects were contracted in 2016. This was because the Group had started and will continue to adopt a conservative approach against tendering projects that require advances in project costs.

By virtue of the Group's technology and experience in the photovoltaic sector accumulated over the years, as well as the strengths of its professional teams, the Group will endeavor to enhance its competitiveness, strive to achieve high standards of corporate governance and accelerate the process for resumption of its share trading, so as to maximise the interests of the Group and its shareholders.

Revenue

For 2016 financial year, revenue was recorded at approximately RMB37,102,000, representing a decrease of approximately RMB78,615,000 or 68% as compared to 2015.

Both segments, construction of photovoltaic cells as well as the manufacture and sale of solar products, recorded decreases in their turnover.

Revenue of approximately RMB1,963,000 was recorded for the Construction segment in 2016, during the year there were no new construction contracts concluded. This was because the Group had started and will continue to adopt a conservative approach against tendering projects in order to minimise its risk exposure. As a result, there was a significant decrease in the turnover of approximately RMB15,748,000 or 89% in this segment.

Manufacture and sale of solar products segment recorded revenue of approximately RMB35,139,000, representing a decrease of approximately RMB62,867,000 or 64% as compared to approximately RMB98,006,000 in 2015. The decline was mainly due to continuous contraction of the market and lower demand.

Cost of Sales

Cost of sales was approximately RMB38,349,000, representing a decrease of approximately RMB87,704,000 or 70% as compared to approximately RMB126,053,000 in 2015.

The decrease in cost of sales was consistent with the decrease in revenue and was mainly due to reduced revenues from both construction and manufacture and sale of products segments.

Gross Loss

In 2016, the Group recorded a gross loss of approximately RMB1,247,000, which represented a decrease in gross loss of approximately RMB9,089,000 or 88% as compared to approximately RMB10,336,000 in 2015.

The construction segment had a gross profit of approximately RMB1,865,000, representing a decrease in gross profit of approximately RMB242,000 or 11% as compared to 2015.

The manufacture and sale segment had a gross loss of approximately RMB3,112,000, representing a decrease in gross loss of approximately RMB9,331,000 or 75% as compared to 2015.

Other Income

Other income for 2016 financial year was approximately RMB15,609,000, representing an increase of approximately RMB9,765,000 or 167% as compared to 2015.

Other income mainly comprised a waiver of payables of approximately RMB4,307,000, an exchange gain of approximately RMB5,550,000 and government grant of approximately RMB4,628,000.

Selling and Distribution Expenses

Selling and distribution expenses for financial year 2016 were approximately RMB6,571,000, representing a decrease of approximately RMB1,065,000 or 14% as compared to 2015.

The decrease in selling and distribution expenses was mainly due to the decrease in exhibition and consultancy fees for the construction business segment.

Administrative and Other Operating Expenses

Administrative and other operating expenses for 2016 financial year were approximately RMB62,895,000, representing an increase of approximately RMB5,582,000 or 10% as compared to 2015.

The increase in administrative and other operating expenses was mainly due to an increase in legal and professional fees from approximately RMB10,651,000 in 2015 to approximately RMB16,956,000 in 2016.

Loss Before Tax

The net loss before tax for 2016 financial year was approximately RMB58,050,000, representing a decrease in net loss of approximately RMB12,886,000 or 18% as compared to 2015.

The decrease in net loss was mainly due to a decrease in gross loss of approximately RMB9,089,000, an increase in other income of approximately RMB9,765,000, as offset by an increase in administrative expenses of approximately RMB5,582,000.

Property, Plant and Equipment

Property, plant and equipment as at 30 June 2016 were approximately RMB222,026,000, representing a decrease of approximately RMB21,573,000 or 9% as compared to 30 June 2015.

The decrease was mainly attributed to a depreciation of approximately RMB25,524,000, and offset by the addition of approximately RMB4,498,000.

Inventories

Inventories as at 30 June 2016 were approximately RMB8,188,000, representing a decrease of approximately RMB3,211,000 or 28% as compared to 30 June 2015.

The decrease in business volume, mainly from the manufacture and sale segment of solar products, has resulted in the decrease in inventory level.

Trade and Bills Receivables and Other Receivables and Prepayments

Trade and bills receivables and other receivables and prepayments as at 30 June 2016 were approximately RMB20,710,000, which comprised trade and bills receivables of approximately RMB13,862,000, and other receivables and prepayments of approximately RMB6,848,000.

Trade and bills receivables and other receivables and prepayments as at 30 June 2016 recorded a decrease of approximately RMB8,537,000 or 29% as compared to 30 June 2015.

The decrease was mainly due to tightened trade receivables collection during 2016 financial year.

Contingent liabilities

Auditor expressed that no sufficient evidence had been provided to satisfy them as to the existence and completeness of the disclosure of contingent liabilities as at 30 June 2016.

Acquisition or disposal of subsidiary and associated company

During the year ended 30 June 2016, there was no acquisition or disposal of subsidiary and associated company.

Pledge on Group assets

As at 30 June 2016, none of the assets of the Group was pledged (2015: Nil).

Liquidity and financial resources

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

Significant investment

No significant investment was held during the year ended 30 June 2016.

Foreign currency exchange risk

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

Human Resources

As at 30 June 2016, the Group had 184 employees (2015: 261). 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.

FINAL DIVIDEND

The Board resolved not to recommend any final dividend for the year ended 30 June 2016 (2015: Nil).

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 2015 to 30 June 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code ("**Model Code**") for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code for the year ended 30 June 2016.

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. During the year ended 30 June 2016, the Company was in compliance with the relevant code provisions set out in the CG Code except for the deviations which are explained below.

Code Provisions	**Reasons for the deviations and improvement actions took or to be taken**
A.2.1	During the year ended 30 June 2016, Mr. Li Yi, the former chairman of the Company, was also acting as the chief executive officer of the Company. With effect from 7 September 2016, Mr. Li Yi resigned as the chairman and chief executive officer of the Company and Ms. Chan Yee Ling Elaine has been appointed as the chairlady of the Company. After evaluation of the current situation of the Company and taking into account of the experience and past performance of Mr. Li Yi, the Board is of the opinion that it is appropriate and in the best interests of the Company to separate the two roles of chairman and chief executive officer. Mr. Huang Henry Xiao Shi, the general vice president of the Company, has taken up the responsibility of the chief executive officer of the Company until the Company has identified suitable candidate to fill up the vacancy.
A.4.2	No general meeting was held during the year ended 30 June 2016 due to no audited financial statements of the Group were available for presentation to the shareholders of the Company (the "**Shareholders**"). However, an annual general meeting of the Company was held on 8 August 2016 (the "**AGM**") at which, the then Directors retired and had been re-elected by the Shareholders.
A.6.7	No general meeting was held during the year ended 30 June 2016 due to no audited financial statements of the Group were available for presentation to the Shareholders. However, the AGM was held on 8 August 2016. Mr. Hu Bing, the then independent non-Executive Director, and Mr. Cai Zhipeng and Mr. Chow Wai Fong, independent non-executive Directors, did not attend the AGM due to other business engagements.

Code Provisions	Reasons for the deviations and improvement actions took or to be taken
C.1.2	The management of the Company did not provide a regular monthly update to all members of the Board, but the management kept providing information and update to the members of the Board as required.
E.1.1, E.1.2, E.1.3, E.2.1	No general meeting was held during the year ended 30 June 2016 due to no audited financial statements of the Group were available for presentation to the Shareholders. However, the AGM was held on 8 August 2016.

Save as those mentioned above, in the opinion of the Directors, the Company has met the Code provisions set out in the CG Code during the year ended 30 June 2016.

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 five independent non-executive Directors, Mr. Fu Wah Sun (as Chairman), Mr. Cai Zhipeng, Mr. Zhang Xuehu, Ms. Chow Wai Fong and Ms. Chan Yee Ling Elaine. The primary duties of the Audit Committee are to review the effectiveness of the financial reporting process and to review the risk management and internal control systems of the Group. The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2016.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 June 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 June 2016. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

GENERAL

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

By Order of the Board
Trony Solar Holdings Company Limited
Chan Yee Ling Elaine
Chairlady

Hong Kong, 30 September 2016

As at the date of this announcement, the Board comprises one executive Director, namely Ms. Yu Ying, and five independent non-executive Directors, namely Mr. Cai Zhipeng, Mr. Zhang Xuehu, Ms. Chow Wai Fong, Mr. Fu Wah Sun and Ms. Chan Yee Ling Elaine.