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CHINA TECHNOLOGY SOLAR POWER HOLDINGS LIMITED **中科光電控股有限公司***

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8111)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (“**Board**”) of directors (“**Directors**”) of China Technology Solar Power Holdings Limited (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders and potential investors of the Company that, based on information currently available, the Group is expected to record a revenue of approximately RMB162.8 million for the year ended 31 March 2019 (“**FY2019**”) representing an approximately 104.9% increase in revenue as compared with the revenue of approximately RMB79.5 million (restated) for the year ended 31 March 2018 (“**FY2018**”). There is also an improvement in gross profit margin from approximately 18.1% for FY2018 to approximately 21.9% for FY2019. However, it is expected that the Group will record a loss attributable to the owners of the Company for FY2019 of approximately RMB50.6 million, as compared to that for FY2018 of approximately RMB5.1 million (restated). Such increase in loss recorded was mainly attributable to:

1. the impairment loss on goodwill recorded in FY2019 of approximately RMB32.1 million (FY2018: approximately RMB3.8 million (restated)); and
2. the impairment loss on accounts receivables, other receivables and deposits and contract assets recorded for FY2019 of approximately RMB22.3 million (FY2018: impairment loss reversed of approximately RMB0.4 million (restated)).

* *For identification purpose only*

The impairment loss on goodwill arised from the Group’s acquisition of Million Keen Limited and its subsidiaries (“**Million Keen Group**”) which is engaged in the sales of solar power related products business. Such acquisition was completed in May 2015. In FY2019, due to adverse changes in market conditions, in particular, the release of the new government policy on cutting down the subsidy on solar electricity published on 31 May 2018 and on 7 January 2019, the management of the Group reviews and reassesses the recoverable amounts of the relevant cash generating unit to determine whether there is any impairment loss directly related to Million Keen Group. Because of the negative impact on the solar power industry as a result of the new government policy on solar electricity subsidy, the Directors have determined impairment of goodwill directly related to Million Keen Group amounting to approximately RMB32.1 million.

Due to, among other matters, the voluntary change in presentation currency during the current period, certain adjustments to prior year financial statements have been made. Accordingly, certain comparative amounts have been restated to conform with the current period’s presentation, disclosures and accounting treatment.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company and is not based on any figure or information which has been audited or reviewed by the Company’s auditors.

The Company is in the process of finalising the final results of the Group for FY2019. Details of the Group’s financial information and performance for FY2019 will be announced in late June 2019.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
China Technology Solar Power Holdings Limited
Chiu Tung Ping
Chairman and executive Director

Hong Kong, 24 June 2019

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:	Chiu Tung Ping (<i>Chairman</i>) Yuen Hing Lan Hou Hsiao Bing Hu Xin
Independent non-executive Directors:	Ma Xingqin Meng Xianglin Dong Guangwu

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.chinatechsolar.com.