SOLARTECH INTERNATIONAL HOLDINGS LIMITED
星凱控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

2021/2022 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors (the "**Directors**" or "**Board**") of Solartech International Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 30 June 2022 together with last year's comparative figures, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	**2022** *HK$'000*	2021 *HK$'000*
Revenue	3	**471,521**	433,049
Cost of sales		**(404,843)**	(374,815)
Gross profit		**66,678**	58,234
Interest income		**14,238**	13,408
Other income and other (losses)/gains, net		**(1,131)**	1,781
General and administrative expenses		**(73,101)**	(69,550)
Selling and distribution expenses		**(7,413)**	(10,430)
Finance costs	6	**(21,270)**	(15,875)
Change in fair value of derivative financial instruments, net		**(734)**	(507)
Change in fair value of investment properties, net	10	**6,342**	85,911
Change in fair value and gain on disposal of financial assets at fair value through profit or loss, net		**(5,079)**	3,274
Reversal of expected credit loss/(expected credit loss) recognised, net		**2,614**	(11,700)
Written off of a deposit		**–**	(1,415)
Impairment loss of property, plant and equipment		**–**	(131)
(Impairment loss)/reversal of impairment loss on intangible assets	12	**(70,769)**	130,206
Loss on disposal of subsidiaries, net		**–**	(4,656)
Share of results of associates		**(7,810)**	(1,811)
Share of results of joint ventures		**(15,204)**	11,892

* *For identification purposes only*

	Notes	**2022**	2021
		HK$'000	*HK$'000*
(Loss)/profit before taxation	5	**(112,639)**	188,631
Income tax credit/(expense)	7	**11,446**	(20,779)
(Loss)/profit for the year		**(101,193)**	167,852
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(8,542)**	20,491
Reclassification adjustment on exchange difference for foreign operations disposed of during the year	18	**–**	3,423
Share of other comprehensive income of associates		**(113)**	2,700
Share of other comprehensive income of joint ventures		**(22)**	(4)
Other comprehensive income for the year		**(8,677)**	26,610
Total comprehensive income for the year		**(109,870)**	194,462
(Loss)/profit attributable to:			
Owners of the Company		**(102,218)**	156,346
Non-controlling interests		**1,025**	11,506
		(101,193)	167,852
Total comprehensive income attributable to:			
Owners of the Company		**(110,921)**	182,947
Non-controlling interests		**1,051**	11,515
		(109,870)	194,462
(Loss)/earnings per share:			
– Basic and diluted *(HK$)*	9	**(0.043)**	0.066

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

	Notes	**2022** **HK$'000**	2021 HK$'000
Non-current assets			
Property, plant and equipment		**21,458**	24,933
Investment properties	10	**767,219**	650,996
Right-of-use assets	11	**7,907**	9,480
Intangible assets	12	**486,820**	557,560
Prepayments		**–**	1,632
Interests in associates	13	**3,677**	11,600
Interests in joint ventures	14	**9,040**	24,267
Other loans and receivables	15	**21,895**	9,697
Deferred tax assets		**12,877**	–
Total non-current assets		**1,330,893**	1,290,165
Current assets			
Inventories		**33,442**	46,593
Debtors, other loans and receivables, deposits and prepayments	15	**249,120**	282,161
Bills receivable		**865**	1,189
Financial assets at fair value through profit or loss		**6,798**	5,091
Pledged bank deposits		**–**	72,150
Bank balances and cash		**71,346**	66,953
Total current assets		**361,571**	474,137
Current liabilities			
Creditors, other advances and accrued charges	16	**114,797**	154,148
Borrowings		**180,037**	240,236
Derivative financial liabilities		**580**	580
Promissory notes	17	**–**	8,960
Lease liabilities	11	**1,760**	1,886
Total current liabilities		**297,174**	405,810
Net current assets		**64,397**	68,327
Total assets less current liabilities		**1,395,290**	1,358,492

	Notes	2022 *HK$'000*	2021 *HK$'000*
Non-current liabilities			
Lease liabilities	11	**231**	1,316
Other payables and advances	16	**62,259**	49,993
Borrowings		**156,982**	20,443
Deferred tax liabilities		**87,138**	88,190
Total non-current liabilities		**306,610**	159,942
Total net assets		**1,088,680**	1,198,550
EQUITY			
Capital and reserves			
Share capital		**23,745**	23,745
Reserves		**1,065,597**	1,176,518
Equity attributable to owners of the Company		**1,089,342**	1,200,263
Non-controlling interests		**(662)**	(1,713)
Total equity		**1,088,680**	1,198,550

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Exchange reserve *HK$'000*	Statutory reserve fund *HK$'000*	Property revaluation reserve *HK$'000*	Share option reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 July 2020	23,745	1,828,432	612,360	(16,998)	4,878	123,233	8,734	(1,567,013)	1,017,371	(8,505)	1,008,866
Profit for the year	–	–	–	–	–	–	–	156,346	156,346	11,506	167,852
Exchange difference on translation of foreign operations	–	–	–	20,482	–	–	–	–	20,482	9	20,491
Reclassification adjustment on exchange difference for foreign operations disposed of during the year	–	–	–	3,423	–	–	–	–	3,423	–	3,423
Share of other comprehensive income of associates	–	–	–	2,700	–	–	–	–	2,700	–	2,700
Share of other comprehensive income of joint ventures	–	–	–	(4)	–	–	–	–	(4)	–	(4)
Total comprehensive income for the year	–	–	–	26,601	–	–	–	156,346	182,947	11,515	194,462
Disposal of subsidiaries	–	–	–	–	–	(14,980)	–	14,980	–	(4,778)	(4,778)
Change in non-controlling interest without change in control	–	–	–	–	–	–	–	(55)	(55)	55	–
Lapse of share options	–	–	–	–	–	–	(7,216)	7,216	–	–	–
At 30 June 2021	23,745	1,828,432	612,360	9,603	4,878	108,253	1,518	(1,388,526)	1,200,263	(1,713)	1,198,550

	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Exchange reserve *HK$'000*	Statutory reserve fund *HK$'000*	Property revaluation reserve *HK$'000*	Share option reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 July 2021	**23,745**	**1,828,432**	**612,360**	**9,603**	**4,878**	**108,253**	**1,518**	**(1,388,526)**	**1,200,263**	**(1,713)**	**1,198,550**
Loss for the year	–	–	–	–	–	–	–	(102,218)	(102,218)	1,025	(101,193)
Exchange difference on translation of foreign operations	–	–	–	(8,568)	–	–	–	–	(8,568)	26	(8,542)
Share of other comprehensive income of associates	–	–	–	(113)	–	–	–	–	(113)	–	(113)
Share of other comprehensive income of joint ventures	–	–	–	(22)	–	–	–	–	(22)	–	(22)
Total comprehensive income for the year	–	–	–	(8,703)	–	–	–	(102,218)	(110,921)	1,051	(109,870)
Lapse of share options	–	–	–	–	–	–	(1,518)	1,518	–	–	–
At 30 June 2022	**23,745**	**1,828,432**	**612,360**	**900**	**4,878**	**108,253**	**–**	**(1,489,226)**	**1,089,342**	**(662)**	**1,088,680**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. ORGANISATION AND OPERATIONS

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company are disclosed in Corporate Information in the annual report.

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacture and trading of cables and wires, trading of copper rods, property investment and holding of mining right. Its associates are engaged in advertising and media services, branding and marketing services, corporate image and strategy services, innovating strategy services, research, development, processing and sales of furnishing lighting appliances, LED lighting products and other electrical materials and parts for various electrical appliances in the PRC. Its joint ventures are engaged in holding of mining right. The Company, together with its subsidiaries are collectively referred to as the "**Group**".

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective on 1 July 2021

The Hong Kong Institute of Certified Public Accountants has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4, and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

None of these new or amended HKFRSs have material impact on the Group's results and financial position for the current or prior years. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting year.

(b) New/revised HKFRSs that have been issued but are not yet effective and not early adopted

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1 and HK Interpretation 5 (2020)	"Classification of Liabilities as Current or Non-current" and "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause"[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
HKFRS 17	Insurance Contracts[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS Standards	Annual Improvements to HKFRSs 2018–2020[1]

1 Effective for annual periods beginning on or after 1 January 2022

2 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022

3 Effective for annual periods beginning on or after 1 January 2023

4 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Interpretation 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Interpretation 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The Directors do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

Amendments to HKAS 1 – Disclosure of Accounting Policies

The amendments to Disclosure of Accounting Policies were issued following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed. The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 8 – Definition of Accounting Estimates

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 16 – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

HKFRS 17 – Insurance Contracts

The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes HKFRS 4, Insurance Contracts. The standard outlines a 'General Model', which is modified for insurance contracts with direct participation features, described as the 'Variable Fee Approach'. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKFRS 3 – Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Directors anticipate that the application of these amendments may have an impact on the consolidated financial statements in future periods should such transaction arise.

Annual Improvements to HKFRSs 2018–2020

The annual improvements amends a number of standards, including:

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permits a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to HKFRSs.

- HKFRS 9, Financial Instruments, which clarifies the fees included in the "10 per cent" test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

- HKFRS 16, Leases, which amends Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

3. REVENUE

Revenue derived from the Group's principal activities comprises of the followings:

	2022	2021
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Sales of goods	**458,085**	419,295
Revenue from other sources:		
Rental income	**13,436**	13,754
	471,521	433,049

4. SEGMENTAL INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The Group's reportable segments are as follows:

(i) manufacture and trading of cables and wires;

(ii) trading of copper rods; and

(iii) investment properties.

In prior years, the Group acquired its mining operation located in the State of Mongolia and became engaged in the mining business. However, no active operation took place since the date of acquisition and therefore the directors of the Company consider that the mining operation did not constitute a business segment as at 30 June 2021 and 2022 and for the years then ended for the purpose of segment reporting.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is measure of adjusted profit/loss before taxation. The adjusted profit/loss before taxation is measured consistently with the Group's profit/loss before taxation except that impairment loss on mining right, share of results of associates and joint ventures as well as head office and corporate expenses (including share-based payment expenses etc.) are excluded from such measurement.

Segment assets exclude mining right, interests in associates and joint ventures, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude promissory notes, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

For the year ended 30 June 2022

	Cables and wires *HK$'000*	Copper rods *HK$'000*	Investment properties *HK$'000*	Total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue from external customer	300,238	157,847	13,436	471,521	–	471,521
Inter-segment revenue	–	9,720	–	9,720	(9,720)	–
Reportable segment revenue	300,238	167,567	13,436	481,241	(9,720)	471,521
Reportable segment (loss)/profit	(10,338)	3,944	19,639	13,245	–	13,245
Finance costs	(13,991)	(4,731)	(1,998)	(20,720)	–	(20,720)
Change in fair value of derivative financial instruments, net	(221)	–	–	(221)	–	(221)
Change in fair value of investment properties, net	–	–	6,342	6,342	–	6,342
Loss on disposal of property, plant and equipment	1,375	843	–	2,218	–	2,218
(Expected credit loss)/reversal of expected credit loss recognised, net						
– allocated	(2,542)	3,856	3,873	5,187	–	5,187
– unallocated						(2,573)
						2,614
Depreciation of right-of-use assets						
– allocated	(8)	(215)	(23)	(246)	–	(246)
– unallocated						(1,959)
						(2,205)
Depreciation of property, plant and equipment						
– allocated	(4,202)	(260)	(309)	(4,771)	–	(4,771)
– unallocated						(125)
						(4,896)
Income tax credit/(expense)	12,877	–	(1,431)	11,446	–	11,446

For the year ended 30 June 2021

	Cables and wires *HK$'000*	Copper rods *HK$'000*	Investment properties *HK$'000*	Total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue from external customer	278,995	140,300	13,754	433,049	–	433,049
Inter-segment revenue	–	–	–	–	–	–
Reportable segment revenue	278,995	140,300	13,754	433,049	–	433,049
Reportable segment (loss)/profit	(15,254)	2,070	88,061	74,877	–	74,877
Finance costs	(9,792)	(3,832)	(1,354)	(14,978)	–	(14,978)
Change in fair value of derivative financial instruments, net	69	4	–	73	–	73
Change in fair value of investment properties, net	–	–	85,911	85,911	–	85,911
Gain on disposal of property, plant and equipment	3	–	–	3	–	3
Expected credit loss, net						
– allocated	(624)	(1,929)	(5,762)	(8,315)	–	(8,315)
– unallocated						(3,385)
						(11,700)
Provision for litigation	–	(743)	–	(743)	–	(743)
Depreciation of right-of-use assets						
– allocated	(7)	(209)	(46)	(262)	–	(262)
– unallocated						(2,268)
						(2,530)
Depreciation of property, plant and equipment						
– allocated	(4,942)	(835)	(368)	(6,145)	–	(6,145)
– unallocated						(2,728)
						(8,873)
Income tax expense	–	–	(20,779)	(20,779)	–	(20,779)

As at 30 June 2022

	Cables and wires *HK$'000*	**Copper rods** *HK$'000*	**Investment properties** *HK$'000*	**Total** *HK$'000*
Reportable segment assets	**285,306**	**69,996**	**796,189**	**1,151,491**
Additions to non-current assets	**5,160**	**–**	**129,542**	**134,702**
Reportable segment liabilities	**238,479**	**4,145**	**267,299**	**509,923**

As at 30 June 2021

	Cables and wires *HK$'000*	Copper rods *HK$'000*	Investment properties *HK$'000*	Total *HK$'000*
Reportable segment assets	262,504	162,407	687,290	1,112,201
Additions to non-current assets	3,331	–	54,733	58,064
Reportable segment liabilities	353,093	16,403	91,374	460,870

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

	2022 ***HK$'000***	2021 *HK$'000*
For the year ended 30 June		
(Loss)/profit before taxation		
Reportable segment profit	**13,245**	74,877
Change in fair value of derivative financial instruments	**(513)**	(580)
(Impairment loss)/reversal of impairment loss on intangible assets	**(70,769)**	130,206
Share of results of associates	**(7,810)**	(1,811)
Share of results of joint ventures	**(15,204)**	11,892
Unallocated finance costs	**(550)**	(897)
Unallocated corporate expenses	**(31,038)**	(25,056)
Consolidated (loss)/profit before taxation	**(112,639)**	188,631
At 30 June		
Assets		
Reportable segment assets	**1,151,491**	1,112,201
Mining right	**486,820**	557,560
Interests in joint ventures	**9,040**	24,267
Interests in associates	**3,677**	11,600
Deferred tax assets	**12,877**	–
Unallocated bank balances and cash	**4,130**	12,937
Unallocated corporate assets	**24,429**	45,737
Consolidated total assets	**1,692,464**	1,764,302
Liabilities		
Reportable segment liabilities	**509,923**	460,870
Promissory notes	**–**	8,960
Deferred tax liabilities	**87,138**	88,190
Unallocated corporate liabilities	**6,723**	7,732
Consolidated total liabilities	**603,784**	565,752

(c) Geographical information

The Group's operations are conducted in Hong Kong, the PRC, Americas, Europe, Mongolia and other countries.

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments and deferred tax assets ("**Specified non-current assets**").

	Revenue from external customers		**Specified non-current assets**	
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The PRC	**290,260**	270,599	**742,009**	632,570
Americas	**44,677**	38,843	**–**	–
Europe	**75,413**	61,646	**–**	–
Hong Kong	**37,053**	35,333	**54,572**	54,438
Mongolia	**–**	–	**495,863**	581,860
Others	**24,118**	26,628	**3,677**	11,600
	471,521	433,049	**1,296,121**	1,280,468

The revenue information above is based on the locations of the customers. The non-current asset information above is based on the locations of the assets.

(d) Disaggregation of revenue by timing of revenue recognition

For the year ended 30 June 2022

	Cables and wires	**Copper rods**	**Investment properties**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue from contracts with customers disaggregated by timing of revenue recognition				
At a point in time	**300,238**	**157,847**	**–**	**458,085**
Transferred over time	**–**	**–**	**–**	**–**
	300,238	**157,847**	**–**	**458,085**
Revenue from other sources	**–**	**–**	**13,436**	**13,436**
	300,238	**157,847**	**13,436**	**471,521**

For the year ended 30 June 2021

	Cables and wires *HK$'000*	Copper rods *HK$'000*	Investment properties *HK$'000*	Total *HK$'000*
Revenue from contracts with customers disaggregated by timing of revenue recognition				
At a point in time	278,995	140,300	–	419,295
Transferred over time	–	–	–	–
	278,995	140,300	–	419,295
Revenue from other sources	–	–	13,754	13,754
	278,995	140,300	13,754	433,049

(e) Information about major customers

Revenue from external customers contributing 10% or more of the total revenue of the Group is as follows:

	2022 ***HK$'000***	2021 *HK$'000*
Copper rods segment		
Customer A	**62,400**	54,484
Customer B *(note)*	**51,657**	N/A

Note: The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year ended 30 June 2021.

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit from taxation is arrived at after charging/(crediting) the followings:

	2022	2021
	HK$'000	*HK$'000*
Auditor's remuneration	**2,150**	2,150
Depreciation of property, plant and equipment	**4,896**	8,873
Depreciation of right-of-use assets	**2,205**	2,530
Carrying amount of inventories sold	**404,734**	375,444
Write-down/(reversal of write-down) of inventories	**109**	(629)
Cost of inventories recognised as expenses *(Note)*	**404,843**	374,815
Short term lease expenses	**630**	651
Direct operating expenses arising from investment properties that generate rental income during the year	**149**	395
Loss/(gain) on disposal of property, plant and equipment	**2,218**	(3)
Exchange difference, net	**2,832**	5,008
Government subsidies	**(152)**	(602)
Research and development expenses	**17,862**	4,570
Staff costs (including directors' remuneration)	**69,945**	61,598
Provision for litigation	**–**	743

Note: Included in cost of inventories is HK$32,118,000 (2021: HK$35,382,000) relating to staff costs and depreciation of property, plant and equipment. The amounts are also included in the respective total amounts as separately disclosed above.

6. FINANCE COSTS

	2022	2021
	HK$'000	*HK$'000*
Interest on borrowings	**20,720**	15,043
Interest on lease liabilities *(Note 11)*	**129**	123
Imputed interest on promissory notes *(Note 17)*	**421**	709
	21,270	15,875

7. INCOME TAX (CREDIT)/EXPENSE

	2022 ***HK$'000***	2021 *HK$'000*
Current tax for the year		
Hong Kong profits tax		
– provision for the year	**–**	–
Taxation in other jurisdictions:		
– provision for the year	**171**	–
	171	–
Deferred tax for the year	**(11,617)**	20,779
	(11,446)	20,779

No provision for Hong Kong profits tax is made for current and prior years as there is sufficient tax losses to offset with the assessable profits for both years. Taxation in other countries and jurisdictions is calculated at the rates applicable in the respective jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The domestic tax rate of principal subsidiaries in the PRC is used as it is where the operations of the Group are substantially based. The corporate income tax for enterprises in the PRC is calculated at the applicable standard rate of 25% for both years.

8. DIVIDEND

The directors did not recommend the payment of any dividend for the years ended 30 June 2022 and 2021.

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2022 ***HK$'000***	2021 *HK$'000*
(Loss)/earnings		
(Loss)/profit for the year attributable to the owners of the Company	**(102,218)**	156,346

	2022	2021
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	**2,374,532,340**	2,374,532,340

There was no movement on the number of shares in issue during the year. The weighted average number of ordinary shares used for the purposes of calculating the basic (loss)/earnings per share for the years ended 30 June 2022 and 2021 are 2,374,532,340.

The computation of diluted (loss)/earnings per share for the years ended 30 June 2022 and 2021 does not assume the exercise of share options as their exercise price was higher than the average market price per share for both years. Therefore, the diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share for the years ended 30 June 2022 and 2021.

10. INVESTMENT PROPERTIES

	Completed investment properties	**Investment properties under construction**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 July 2020	368,470	146,886	515,356
Additions	–	54,733	54,733
Change in fair value	31,238	54,673	85,911
Disposal of subsidiaries	(53,110)	–	(53,110)
Exchange realignment	31,094	17,012	48,106
At 30 June 2021 and 1 July 2021	**377,692**	**273,304**	**650,996**
Additions	**–**	**129,542**	**129,542**
Change in fair value	**(6,934)**	**13,276**	**6,342**
Exchange realignment	**(8,166)**	**(11,495)**	**(19,661)**
At 30 June 2022	**362,592**	**404,627**	**767,219**

11. LEASES

(a) The Group as lessee

The Group has lease contracts for office buildings. Lump sum payments were made upfront to acquire the interests in the leasehold land in the PRC. Leases of office buildings generally have lease terms ranging from one to three years and lease payments are fixed over the lease terms. There is no extension options, variable lease payments nor restrictions or covenants included in these agreements.

Certain leases of office buildings have lease terms of 12 months or less and the Group did not capitalised these leases by applying the short-term lease recognition exemption.

(i) Right-of-use assets

The movements of the carrying amounts of the Group's right-of-use assets during the year are set out below:

	Leasehold land *HK$'000*	**Buildings** *HK$'000*	**Motor Vehicle** *HK$'000*	**Total** *HK$'000*
As at 1 July 2020	6,011	2,449	–	8,460
Additions	–	3,808	–	3,808
Depreciation	(262)	(2,268)	–	(2,530)
Modification of leases	–	(815)	–	(815)
Exchange realignment	557	–	–	557
As at 30 June 2021 and 1 July 2021	**6,306**	**3,174**	**–**	**9,480**
Additions	**–**	**–**	**782**	**782**
Depreciation	**(246)**	**(1,904)**	**(55)**	**(2,205)**
Exchange realignment	**(150)**	**–**	**–**	**(150)**
As at 30 June 2022	**5,910**	**1,270**	**727**	**7,907**

As at 30 June 2022, the Group pledged right-of-use assets with net book value of HK$186,000 (2021: HK$Nil) to secure the borrowings of the Group.

(ii) Lease liabilities

	2022 ***HK$'000***	2021 *HK$'000*
At 1 July	**3,202**	2,894
New leases	**782**	3,808
Interest expenses	**129**	123
Lease payments	**(2,122)**	(2,719)
Modification of leases	**–**	(904)
At 30 June	**1,991**	3,202
Classified under:		
Non-current portion	**231**	1,316
Current portion	**1,760**	1,886
	1,991	3,202

At 30 June 2022, the undiscounted lease payments by the Group in future period under leases with its lessors are as follows:

	2022		
	Minimum lease payments	**Interest**	**Present value**
	HK$'000	***HK$'000***	***HK$'000***
Within one year	**1,805**	**45**	**1,760**
After one year but within two years	**234**	**3**	**231**
	2,039	**48**	**1,991**

	2021		
	Minimum lease payments	Interest	Present value
	HK$'000	*HK$'000*	*HK$'000*
Within one year	2,005	119	1,886
After one year but within two years	1,337	21	1,316
	3,342	140	3,202

(iii) Information in relation to short term leases

	2022	2021
	HK$'000	*HK$'000*
Short term lease expenses	**630**	651
Aggregate undiscounted commitments for short term leases	**115**	85

(b) The Group as lessor

The Group leases out its investment properties under operating lease arrangements with leases negotiated for period ranging from one year to fifteen years (2021: one year to fifteen years). As at 30 June 2022, the Group had contracted with tenants for the following future minimum lease payments receivable:

	2022	2021
	HK$'000	*HK$'000*
Within one year	**19,647**	16,158
In the second year	**19,641**	15,270
In the third year	**16,935**	15,769
In the fourth year	**9,783**	13,077
In the fifth year	**10,058**	4,977
Over five years	**110,735**	15,067
	186,799	80,318

12. INTANGIBLE ASSETS

	Mining right
	HK$'000
COST:	
At 1 July 2020	1,167,684
Exchange realignment	5
At 30 June 2021 and 1 July 2021	**1,167,689**
Exchange realignment	**29**
At 30 June 2022	**1,167,718**
ACCUMULATED AMORTISATION AND IMPAIRMENT:	
At 1 July 2020	740,335
Reversal of impairment	(130,206)
At 30 June 2021 and 1 July 2021	**610,129**
Impairment	**70,769**
At 30 June 2022	**680,898**
NET CARRYING AMOUNT:	
At 30 June 2022	**486,820**
At 30 June 2021	557,560

The mining right represents the right to conduct mining activities in the location of Nergui, Delgerkhangai soum, Dundgobi aimag, the State of Mongolia, for a period of 30 years, expiring on 23 November 2039. The mining operating license is issued by the Mineral Resources Authority of the State of Mongolia. It is extendable by 2 successive 20 years each.

The mining right is subject to impairment review whenever there are indications that the mining right's carrying amount may not be recoverable or impairment losses recognised in prior periods may have decreased.

During the year ended 30 June 2022, the directors of the Company have engaged Peak Vision in determining the recoverable amount of the CGU for which the mining right belongs to (the "**Mining CGU**"). Given the current development status of mining right, management has determined that recoverable amount of the Mining CGU on a fair-value-less-costs-of-disposal basis. The calculation has incorporated assumptions that a typical market participant would use in estimating the recoverable amount of the Mining CGU, which adopted cash flow projection for a period of 9 years, which is estimated to be the entire period of mining activities.

The outbreak of COVID-19 affected the global economic environment and to cope with the pandemic, Mongolia imposed lockdown measures for most of the time during the year, which limited the work of geologists at the mining sites of the projects. Upon the Board's deliberation of these factors and the development direction of the Group, the directors are of opinion that the exploitation of mineral resources could not create synergy effect to the business development of the Group for the time being. The Group suspended its mining investment and development in Mongolia temporarily and consequently, a cash flow projection based on latest financial budgets approved by the Group's management. There has been no change from the valuation technique used in prior year.

The key assumptions used in the cash flow projection are as follow:

At 30 June 2022, management analysed changes in the economic environment and performed an impairment test for Mining CGU at 30 June 2022 using the following key assumptions to determine the recoverable amount:

– In determining the revenue growth, a constant of the production level is expected in the cash flow projection periods;

– Total production was estimated based on average sustainable production levels of 20,000 metric tonnes of primary copper cathode per annum, out of 12.56 million tonnes of mineral ores reserves estimated based on technical report. The ores will be used primarily for the production of the primary copper cathode;

– Budgeted average gross margins 54% in the cash flow projection periods was estimated based on management expectations of market development;

– The unit market price of copper cathode was ranged from approximately US$6,800 per tonne to approximately US$9,100 per tonne with reference to the future copper price at the end of each forecast period predicted by the World Bank and was adjusted for gross domestic product price deflator;

– The post-tax discount rate was estimated in real terms based on the weighted average cost of capital basis and was 21.81%. In determining the discount rate, the weighted average cost of capital was used, which is based on capital asset pricing model and determined with reference to the Mongolia Bank Prime Loan Rate and has taken into account the average of the weight of debt of industry comparable;

– Operating costs were projected based on the feasibility study report adjusted for inflation; and

– For the estimation of inflation rate, inflation rates relevant to the global and local Mongolian economy are taken as reference.

Values assigned to key assumptions and estimates used to measure Mining CGU's recoverable amount based on external sources of information and historical data. Management believes that the values assigned to the key assumptions and estimates represented the most realistic assessment of future trends. The results were particularly sensitive to the following key assumptions:

– A 10% reduction in the projected copper price level would result in a decrease in the recoverable amount by 24% and would lead to an additional impairment of HK$114,734,000; and

– A 10% increase in the post-tax discount rate (i.e. increased from 21.81% to 23.99%) would result in a decrease in the recoverable amount by 13% and would lead to an additional impairment of HK$64,052,000.

The fair value of the mining right is a Level 3 non-recurring fair value measurement.

As at 30 June 2022, in view of the continuously decrease (2021: increase) in the LME copper price, the carrying amount of the Mining CGU was HK$557,591,000, which was lower than the recoverable amount of HK$486,822,000. Accordingly, impairment losses on Mining CGU of approximately HK$70,769,000 is recognised in profit or loss for the year ended 30 June 2022. The impairment loss is primarily attributed to the decrease in the recoverable amount of the Mining CGU, which is due to the significant decrease in copper price and hence a corresponding decrease in future cash inflows.

As at 30 June 2021, in view of the continuously increase in the LME copper price, the carrying amount of the Mining CGU was HK$429,408,000, which was lower than the recoverable amount of HK$559,614,000. Accordingly, reversal of impairment losses on Mining CGU of approximately HK$130,206,000, is recognised in profit or loss for the year ended 30 June 2021. The reversal of impairment loss is primarily attributed to the increase in the recoverable amount of the Mining CGU, which is due to the significant increase in copper price and hence a corresponding increase in future cash inflows.

13. INTERESTS IN ASSOCIATES

	2022	2021
	HK$'000	*HK$'000*
Share of net assets	**3,677**	11,600

Particulars of the Group's associates as at 30 June 2022 are as follows:

Name of associate	**Form of business structure**	**Place of incorporation/ operation**	**Proportion of effective interest held by the Group**	**Principal activities**
Idea Advertising Holdings Ltd.#	Limited liability company	BVI	49% (direct)	Investment holding
Idea Advertising Hong Kong Company Ltd.#	Limited liability company	Hong Kong	49% (indirect)	Investment holding
Ocean Pride Ventures Limited*	Limited liability company	BVI	17% (direct)	Investment holding
Vietta Investment Holdings Limited*	Limited liability company	Hong Kong	17% (indirect)	Investment holding
江門市健輝照明科技有限公司*	Limited liability company	PRC	17% (indirect)	Investment holding
江門市博林照明科技有限公司*	Limited liability company	PRC	17% (indirect)	Research, development, processing and sales of furnishing lighting appliances, LED lighting products and other electrical materials and parts for various electrical appliances in the PRC

Collectively known as the "Idea Group"

* Collectively known as the "Ocean Pride Group"

14. INTERESTS IN JOINT VENTURES

	2022	2021
	HK$'000	*HK$'000*
Share of net assets	**9,040**	24,267

Particulars of the Group's joint ventures as at 30 June 2022 are as follows:

Name of joint venture	**Place of incorporation/ operation**	**Proportion of effective interest held by the Group**	**Principal activities**
Venture Max Limited	BVI	10% (direct)	Investment holding
Mongolian Copper Mining LLC	Mongolia	10% (indirect)	Mining business (not yet commenced)

The Group has joint control over the arrangements as unanimous consent is required from all parties to the arrangements for the relevant activities of the aforesaid companies. The contractual arrangement in relation to the aforesaid companies provide the Group with only the rights to the net assets of the joint arrangements, with the rights to the assets and obligation for the liabilities of the joint arrangements resting primarily with these companies.

15. DEBTORS, OTHER LOANS AND RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022	2021
	HK$'000	*HK$'000*
Trade debtors, net	**74,017**	84,612
Loans receivable, net	**160,017**	146,123
Prepayments	**5,651**	3,446
Deposits and other receivables, net	**21,063**	49,812
VAT recoverable	**10,267**	7,865
	271,015	291,858
Less: Amount shown under non-current assets		
Loans and other receivables, net	**(21,895)**	(9,697)
Amount shown under current assets	**249,120**	282,161

(i) The Group usually grants credit period ranging from 30 to 60 days (2021: 30 to 60 days) to its trade customers.

(ii) The aging analysis of net trade debtors, based on invoice date, as of the end of the reporting period is as follows:

	2022	2021
	HK$'000	*HK$'000*
Within 30 days	**46,536**	37,240
31 – 60 days	**9,549**	27,325
61 – 90 days	**11,161**	14,020
Over 90 days	**6,771**	6,027
	74,017	84,612

16. CREDITORS, OTHER ADVANCES AND ACCRUED CHARGES

	2022	2021
	HK$'000	*HK$'000*
Trade creditors	**54,731**	84,702
Contract liabilities *(Note)*	**7,282**	4,945
Other payables and accruals	**79,982**	86,923
Rental received in advance	**35,061**	27,571
	177,056	204,141
Less: Amount shown under non-current liabilities		
Other payables	**(27,491)**	(22,723)
Rental received in advance	**(34,768)**	(27,270)
	(62,259)	(49,993)
Amount shown under current liabilities	**114,797**	154,148

Aging analysis of trade creditors, based on invoice date or the date of recognition, is as follows:

	2022	2021
	HK$'000	*HK$'000*
0 – 30 days	**37,393**	43,524
31 – 60 days	**6,251**	19,037
61 – 90 days	**3,576**	8,841
Over 90 days	**7,511**	13,300
	54,731	84,702

Note: Contract liabilities primarily related to the advances received from customers for sale of goods. The advances remain as contract liabilities until they are recognised as revenue when control of goods is transferred to the customers.

Changes in the contract liabilities balances during the year are as follows:

	2022	2021
	HK$'000	*HK$'000*
At the beginning of year	**4,945**	1,418
Cash received	**7,282**	4,913
Recognised as revenue	**(4,912)**	(1,418)
Exchange realignment	**(33)**	32
At the end of year	**7,282**	4,945

HK$4,912,000 of the contract liabilities as at 1 July 2021 were recognised as revenue for the year ended 30 June 2022 from performance obligations satisfied during the year.

The contract liabilities as at 30 June 2022 were expected to be recognised as revenue in the next 12 months. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contract which has an original expected duration of one year or less is not disclosed.

17. PROMISSORY NOTES

On 30 April 2020, the Company issued promissory note with principal amount of HK$15,000,000 as the consideration to acquire 17% equity interest of Ocean Pride Ventures Limited, of which HK$7,000,000 was redeemed in a prior year. The promissory note was unsecured, bear interest at 6% per annum and matured at 30 April 2021. During the year ended 30 June 2021, the maturity date was extended to 29 November 2021. During the year ended 30 June 2022, the maturity date was further extended to 29 May 2022. On 29 April 2022, its principal amount and accrued interest were fully paid in cash by the Company.

The promissory notes are initially recognised at their fair values at the dates of issue and subsequently measured at amortised cost using the effective interest method.

The movements of the promissory notes during the year are as follows:

	2022	2021
	HK$'000	*HK$'000*
At 1 July	**8,960**	8,251
Imputed interest	**421**	709
Redemption	**(8,000)**	–
Interest paid	**(1,381)**	–
At 30 June	**–**	8,960

18. DISPOSAL OF SUBSIDIARIES

(a) On 24 November 2020, the Group, through a wholly-owned subsidiary, entered into an agreement with Dongguan Taizhou Industrial Investment Co., Ltd., an independent third party, to dispose of the entire issued share capital in a subsidiary, Dongguan Xin Bao Fine Chemical Co., Ltd. (the "Disposal DGXB"), at the consideration of HK$44,460,000 in cash. The Disposal DGXB is principally engaged in property holding in the PRC.

During the year ended 30 June 2021, the disposal of equity interest in the Disposal DGXB was completed.

Details of the assets and liabilities of the Disposal DGXB at the date of disposal were:

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	91
Investment properties	53,110
Debtors, other loans and receivables, deposits, and prepayments	6,918
Bank balances and cash	1,329
Creditors, other advances and accrued charges	(990)
Deferred tax liabilities	(8,793)
Non-controlling interests	(5,363)
Net assets disposed of	46,302
Cumulative exchange differences in respect of the net assets of the Disposal DGXB reclassified from equity to profit or loss on loss of control of the Disposal DGXB	3,061
Loss on disposal	(4,903)
Total consideration	44,460
Net cash inflow arising on disposal:	
Cash consideration *(Note)*	44,460
Less: Cash and bank balances disposed of	(1,329)
Net cash inflows	43,131

Note: During the year ended 30 June 2021, the consideration of HK$44,460,000 has been received by the Group.

(b) During the year ended 30 June 2021, the Group also disposed of its 51% equity interest in a subsidiary Dongguan Youpin Business Development Company Limited and its subsidiary at a cash consideration of HK$1, to the existing 49% equity owner (the "Disposal DGYP"). The Disposal DGYP is dormant prior to the disposal.

On 6 January 2021, the disposal of equity interest in the Disposal DGYP was completed. Cumulative exchange differences in respect of the net assets of the Disposal DGYP reclassified from equity to profit or loss on loss of control of the Disposal DGYP of HK$362,000 and gain on disposal of HK$247,000 are recognised in the profit or loss during the year ended 30 June 2021.

Net cash outflow arising on the disposal of the Disposal DGYP was HK$6,000.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board announces that for the year ended 30 June 2022 (the "**year under review**"), total turnover of the Group was approximately HK$471,521,000, representing an increase of 8.9% as compared to approximately HK$433,049,000 recorded for the corresponding period last year. During the year under review, loss attributable to owners of the Company was approximately HK$102,218,000, as compared to profit attributable to owners of the Company of approximately HK$156,346,000 for the corresponding period last year. Loss per share for the year under review was HK$0.043 (earnings per share for 2020/2021: HK$0.066).

BUSINESS REVIEW

The Group's turnover for the year under review was approximately HK$471,521,000, representing an increase of 8.9% as compared to approximately HK$433,049,000 for the same period of last year. By business segments, the turnover of the cables and wires business was approximately HK$300,238,000, representing an increase of 7.6% as compared to approximately HK$278,995,000 for the same period of last year and accounting for 63.7% of the Group's total turnover. Turnover of the copper rod business was approximately HK$157,847,000, representing an increase of 12.5% as compared to approximately HK$140,300,000 for the same period of last year and accounting for 33.5% of the Group's total turnover. Turnover of the leasing business was approximately HK$13,436,000, representing a decrease of 2.3% as compared to approximately HK$13,754,000 for the same period of last year and accounting for 2.8% of the Group's total turnover. Other businesses remained dormant during the year under review.

By geographical market segments, turnover from the business in the Americas increased by 15.0% to approximately HK$44,677,000 from approximately HK$38,843,000 for the same period of last year, accounting for 9.5% of the Group's total turnover. Turnover from the business in Mainland China and Hong Kong increased by 7.0% to approximately HK$327,313,000 from approximately HK$305,932,000 for the same period of last year, accounting for 69.4% of the Group's total turnover. Turnover from the business in Europe increased by 22.3% to approximately HK$75,413,000 from approximately HK$61,646,000 for the same period of last year, accounting for 16.0% of the Group's total turnover. Turnover from the business in other countries decreased by 9.4% to approximately HK$24,118,000 from approximately HK$26,628,0000 for the same period of last year, accounting for 5.1% of the Group's total turnover.

Cables and Wires

The Group's cables and wires business recorded turnover of approximately HK$300,238,000 for the year under review, representing an increase of 7.6% as compared to approximately HK$278,995,000 for the same period of last year. The major customers are primarily manufacturers of white goods appliances. During the year under review, the Group benefited from the easing of the COVID-19 pandemic in China and the reopening of the international community. The world was recovering socially and economically with the widespread vaccination, which led to a continuous increase in the demand for household appliances. These factors contributed to the growth of the Group's cables and wires business during the year under review.

Copper Rod Business

The copper rod business includes the trading of copper rods and copper wires and their related products. During the year under review, the turnover of the copper rod business was approximately HK$157,847,000, representing an increase of 12.5% as compared to approximately HK$140,300,000 for the same period of last year. International copper prices declined during the year under review, and the 3-month London Metal Exchange copper price fell from approximately US$9,400 per tonne at the beginning of the year under review to approximately US$8,200 per tonne at the end of the year under review. Amidst economic recovery and rising inflation, the copper rod trading business recorded growth. The Group has been closely monitoring the development of the operating environment and adopted targeted marketing strategies accordingly.

Rental Income

The Group's investment properties mainly comprise industrial properties in Hong Kong and the PRC. During the year under review, rental income was approximately HK$13,436,000, representing a decrease of approximately 2.3% as compared with approximately HK$13,754,000 for the same period of last year. The decrease was due to the effect of exchange rate changes.

Mining

The Group's mineral resources are concentrated in Dundgobi Aimag and Bayan-Ulgii Aimag, Mongolia. No revenue was recorded for the year under review as these projects did not carry out any production activities. During the year under review, although the Mongolian government lifted many of the restrictions related to COVID-19, the Chinese authorities continued to impose additional precautionary measures and requirements at China-Mongolia border ports to prevent import of COVID-19 cases, including limiting the number of, or prohibiting the entry of, people, logistics and freight vehicles from Mongolia.

Unexpected rising inflation worldwide, the tightening of monetary policy amidst growing inflationary pressure, and central banks' aggressive interest rate hikes to curb inflation, will lead to an overall slowdown in global economic growth. It is expected that there will be a wider range of market volatility over the next one or two years. Therefore, the Group has adjusted its investment plan in Mongolia in a more prudent manner. Apart from the work required to maintain mining rights, no large-scale capital investment was carried out during the year under review.

PROSPECTS

The construction of the Group's modern factory buildings Phase I in Dongguan will be completed in the coming year. The Directors expect that the newly constructed facilities will start to generate income for the Group in the coming year. At the same time, the Group will regularly review the strategies for allocation and development of its existing land resources, with a view to increasing the Group's income and enhancing returns to shareholders.

During the year under review, China's property and construction sectors remained unoptimistic as the development of the property sector was subject to macro-control, the unsatisfactory profitability of some large property developers and the lingering effects of the debt crisis, which led to a continuous decline in the gross floor area completed and a consequent shrinkage of the market for building stones. In addition, the continued impact of the COVID-19 pandemic has brought uncertainty to construction projects. In view of the above, the Group has temporarily suspended the construction works of 廉江市周氏石材有限公司(Lianjiang Zhou's Marble Company Limited*), an indirect non-wholly owned subsidiary of the Group, to reconsider the development prospect of the project and the possibility of its disposal.

Due to the recurrences of the COVID-19 outbreaks in China, stringent quarantine measures have been imposed on logistics and people movement, which would increase the Group's shipping and production delays. The Group will closely monitor the development of the pandemic and take quick response measures to mitigate some of the uncertainties brought about by the stringent quarantine measures.

Looking ahead, the Group will continue to optimise and consolidate its existing operations, actively identify potential business partners and new business opportunities with growth potential to achieve a balanced development with existing business, expand its revenue streams to achieve diversified and sustainable development, and increase shareholder value.

FINAL DIVIDEND

The Board resolved not to pay any final dividend for the year ended 30 June 2022 (30 June 2021: Nil).

ANNUAL GENERAL MEETING

The 2022 Annual General Meeting of the Company (the "**2022 AGM**") will be held on Monday, 5 December 2022.

CLOSURE OF REGISTER OF MEMBERS

For determining the qualification as shareholders of the Company to attend and vote at the 2022 AGM, the register of members of the Company will be closed from Wednesday, 30 November 2022 to Monday, 5 December 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify as shareholders of the Company to attend and vote at the 2022 AGM, investors are required to lodge all properly completed share transfer documents accompanied by the relevant share certificates with the Company's Hong Kong Branch Share Registrar and Transfer Office, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 29 November 2022.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group had approximately 400 employees in Hong Kong, PRC and overseas (30 June 2021: 500). The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Staff benefits include medical schemes, Mandatory Provident Fund scheme for Hong Kong employees, and state-sponsored retirement plans for employees in the PRC.

In compliance with the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), employees of the Group in Hong Kong are required to participate in the Mandatory Provident Fund Scheme of the Group (the "**MPF Scheme**"). The MPF Scheme is a defined contribution plan administered by an independent corporate trustee. Under the MPF Scheme, each of the Group and each of its the employees are required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. The Group's contributions under the above-mentioned defined contribution retirement plan are expenses as incurred. Moreover, all the employees of the Group's entities incorporated in the PRC participate in employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the local governments.

During the years ended 30 June 2022 and 30 June 2021, the Group had no forfeited contributions under the retirement benefits schemes utilised to reduce its existing level of contributions to the pension plans in future years.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

During the year ended 30 June 2022, the Group implemented a prudent financial management policy. As at 30 June 2022, the Group had cash and bank balances amounting to approximately HK$71 million (30 June 2021: HK$67 million) and value of net current assets was approximately HK$64 million (30 June 2021: HK$68 million). The Group's gearing ratio as at 30 June 2022 was 0.31 (30 June 2021: 0.23), being a ratio of total borrowings of approximately HK$337 million (30 June 2021: HK$270 million) to shareholders' funds of approximately HK$1,089 million (30 June 2021: HK$1,200 million).

EXCHANGE RISKS

The cash and cash equivalents of the Group are mainly denominated in Hong Kong dollars, United States dollars and Renminbi. The majority of the Group's operations are located in the PRC. The Company continues to pay regular and active attention to fluctuations in the Renminbi exchange rate and any exchange risks.

CHARGES ON GROUP ASSETS

As at 30 June 2022, the Group had pledged property, plant and equipment, investment properties and right-of-use assets with an aggregate net book value of approximately HK$692 million (30 June 2021: HK$364 million) and pledged bank deposit of HK$Nil million (30 June 2021: HK$72 million) to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2022, the Company had issued guarantees to the extent of approximately HK$50 million (30 June 2021: HK$50 million) to secure the total loans of approximately HK$50 million (30 June 2021: HK$50 million) granted to its subsidiary.

FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES

For the year under review, the Group entered into copper forward contracts ("**Derivative Financial Instruments**") to manage copper price risks. The Group's overall financial risk management is to ensure that transactions undertaken by the Group are in accordance with the Group's policies and not for speculative purposes. The outstanding Derivative Financial Instruments had been revalued and stated at their fair value as at 30 June 2022 and the changes in fair value were charged to the income statement. The net loss from the Derivative Financial Instruments for the year under review was approximately HK$734,000 (2020/2021: net loss of HK$507,000).

CAPITAL STRUCTURE

The Company did not make any fund raisings or any capital reorganisation during the year under review and the Group does not have any other fund raising plans as at the date of this announcement.

ADOPTION OF THE NEW BYE-LAWS

On 4 May 2022, the Company announced that the Directors proposed to amend the Bye-Laws of the Company (the "**Bye-laws**") to (i) reflect and align with changes to the requirements under Appendix 3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") which took effect on 1 January 2022; (ii) provide the Company with more flexibility and provide Shareholders with the option of attending general meetings through electronic means; and (iii) incorporate certain housekeeping amendments.

Details of the proposed amendments to the Bye-laws by way of adoption of the amended and restated bye-laws, incorporating all the proposed amendments (the "**New Bye-laws**") in substitution for, and to the exclusion of the Bye-laws, were set out in the Company's circular dated 6 May 2022.

Upon approval of the shareholders at the special general meeting of the Company held on 31 May 2022, the special resolution regarding the adoption of the New Bye-laws was passed by the shareholders of the Company by way of poll and the New Bye-laws have become effective. The full text of the New Bye-laws is available on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.1166hk.com).

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 15 August 2022, the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Secretaries Limited (the "**Branch Share Registrar**"), has changed its address from Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong to:

17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

All telephone and facsimile numbers of the Branch Share Registrar remain unchanged.

SHARE OPTION SCHEME

2012 Share Option Scheme

The existing share option scheme (the "**2012 Share Option Scheme**") was adopted by the Company on 18 December 2012 and will expire on 17 December 2022. Apart from the 2012 Share Option Scheme, the Company has no valid or other similar share option schemes of its own. As at the date of this announcement, there were no outstanding options granted under the 2012 Share Option Scheme.

Proposed adoption of the New Share Option Scheme

As the 2012 Share Option Scheme will soon expire and to enable the Company to grant options to eligible participants as incentives or rewards for their contributions to the success of the Group, the Board proposes to recommend to the Shareholders at the 2022 AGM to approve and adopt a new share option scheme (the "**New Share Option Scheme**"). The New Share Option Scheme will become effective on the date of fulfilment of the following conditions precedent:

(i) the passing of ordinary resolution(s) by the Shareholders at the 2022 AGM to, among others, (a) approve and adopt the New Share Option Scheme; (b) authorise the Board to grant Options under the New Share Option Scheme; and (c) authorise the Board to allot and issue Shares pursuant to the exercise of any Options that may be granted under the New Share Option Scheme; and

(ii) the Listing Committee of Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares falling to be allotted and issued by the Company pursuant to the exercise of the Options under the New Share Option Scheme.

Once the New Share Option Scheme is adopted, any alteration to the terms and conditions thereof, which are of a material nature, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

A circular containing, among other things, a summary of the key terms of the New Share Option Scheme brought about by the adoption of New Share Option Scheme and a notice for convening the 2022 AGM will be despatched to the Shareholders in due course.

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE PROPERTIES OF CHAU'S ELECTRICAL COMPANY LIMITED

On 13 July 2022, the Company announced that on 13 July 2022 (after the trading hours), Chau's Electrical Company Limited (the "**Vendor**"), an indirect wholly-owned subsidiary of the Company, entered into the following two preliminary sale and purchase agreements:

(a) Workshops Preliminary Agreement

The preliminary sale and purchase agreement with Hongkong Breezy Point Holdings Limited ("**Purchaser A**"), as purchaser, in relation to the sales and purchase of Workshop 7 with 2 lightwell spaces on 2nd floor ("**Workshop 7**") and Workshop 5 on 1st floor ("**Workshop 5**"), Kingsford Industrial Centre, No. 13 Wang Hoi Road, Kowloon, Hong Kong, at the consideration of HK$50,000,000 (the "**Workshops Preliminary Agreement**").

On 28 July 2022, the Vendor and Purchaser A entered into the formal agreement for the sale and purchase of Workshop 7 and Workshop 5. Purchaser A shall acquire Workshop 7 subject to the existing tenancy.

Completion will take place on or before 13 October 2022. Upon completion, Purchaser A as landlord and the Vendor will enter into a leaseback agreement in relation of Workshop 5 at a monthly rent of HK$10,000 (inclusive of management fee, rates and government rent) for a term of one year commencing from the date of completion.

The following payment terms are applied to settle the consideration of HK$50,000,000:

(i) HK$2,500,000 was paid by the Purchaser A upon signing of the Workshops Preliminary Agreement as initial deposit;

(ii) HK$2,500,000 was paid on 28 July 2022 as further deposit; and

(iii) HK$45,000,000 shall be paid upon completion of the disposal on or before 13 October 2022.

(b) Carpark Preliminary Agreement

The preliminary sale and purchase agreement with Mr. Chen Weigang (陳偉鋼) ("**Purchaser B**"), as purchaser, in relation of the sale and purchase of Car Park No. L5 (the "**Parking Space**") on 1st floor, Kingsford Industrial Centre, No. 13 Wang Hoi Road, Kowloon, Hong Kong, at the consideration of HK$2,500,000 (the "**Carpark Preliminary Agreement**").

On 28 July 2022, the Vendor and Purchaser B entered into the formal agreement for the sale and purchase of the Parking Space. Purchaser B shall acquire the Parking Space subject to the existing tenancy. Completion will take place on or before 13 October 2022.

The following payment terms are applied to settle the consideration of HK$2,500,000:

(i) HK$125,000 was paid by Purchaser B upon signing of the Carpark Preliminary Agreement as initial deposit;

(ii) HK$125,000 was paid on or before 28 July 2022 as further deposit; and

(iii) HK$2,250,000 shall be paid upon completion of the disposal on or before 13 October 2022.

The Workshops Preliminary Agreement and the Carpark Preliminary Agreement are collectively referred to as the "**Preliminary Agreements**", Purchaser A and Purchaser B are collectively referred to as the "**Purchasers**", the disposals contemplated under the Preliminary Agreements are collectively referred to as "**Disposal**", and Workshop A, Workshop B and the Parking Space under the Preliminary Agreements are collectively referred to as the "**Properties**".

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

The total consideration of HK$52,500,000 for the Disposal under each of the Preliminary Agreements was determined after arm's length negotiation between the Vendor and the Purchasers with reference to the valuation of the Properties conducted by an independent valuer as at 31 December 2021 of approximately HK$59,300,000 (the "**Appraised Value**") and the recent property market conditions in Hong Kong.

It is expected that the aggregate net proceeds of the Disposal (after deduction of transaction costs, agency fees and ancillary expenses) will be approximately HK$51,500,000. The Company intends to apply the net proceeds of the Disposal for repayment of the outstanding principal and accrued interest under the General Credit Facilities.

Implications under the Listing Rules

As Purchaser B is the spouse of the ultimate beneficial owner of Purchaser A, the transactions contemplated under the Workshops Preliminary Agreement and the Carpark Preliminary Agreement are aggregated as a single transaction under the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal, on an aggregated basis, exceed 5%, but are all less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Details of the Disposal were set out in the announcement of the Company dated 13 July 2022.

SIGNIFICANT INVESTMENT

The Group did not make any significant investment during the year under review and the Group does not have any other plans for material investments or capital assets or disposals as at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the year ended 30 June 2022.

CORPORATE GOVERNANCE

With effect from 1 January 2022, the structure of Appendix 14 to the Listing Rules has been updated and renamed as the Corporate Governance Code. The provisions of the updated Corporate Governance Code (the "**Code**") are applicable to financial years commencing on or after 1 January 2022.

During the year under review, the Company has adopted the principles and complied with all code provisions and, where applicable, the recommended best practices as set out in Appendix 14 to the Listing Rules, save and except for the deviations from Code provisions B.2.3, C.2.1 and F.2.2 of the Code which are explained below.

Code provision B.2.3

Under Code provision B.2.3, if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by the shareholders of the Company.

Mr. Chung Kam Kwong ("**Mr. Chung**") has been an independent non-executive Director of the Company for more than nine years since 1 March 2003. In accordance with the Bye-laws of the Company, Mr. Chung retired from office by rotation at the 2021 annual general meeting of the Company held on 3 December 2021 (the "**2021 AGM**") and offered himself for re-election at the 2021 AGM. Mr. Chung has been serving as the chairman of the Audit Committee of the Company for more than 18 years and possesses professional qualification in accounting and financial management. Coupled with his in-depth understanding of the Company's operations and business, Mr. Chung has expressed objective views and given independent guidance to the Company over the past years. He continues demonstrating a firm commitment to his role. The Nomination Committee and the Board consider that the long service of Mr. Chung would not affect his exercise of independent judgement and are satisfied that Mr. Chung has the required character, integrity and experience to continue fulfilling the role of an Independent Non-executive Director and consider Mr. Chung to be independent. An ordinary resolution was passed at the 2021 AGM to approve the re-appointment of Mr. Chung as an independent non-executive Director of the Company.

Mr. Lo Wai Ming has been an independent non-executive Director of the Company for more than nine years since 6 January 2000. In accordance with the Bye-laws of the Company, Mr. Lo Wai Ming retired from office by rotation at the 2021 AGM and offered himself for re-election at the 2021 AGM. Mr. Lo Wai Ming has more than 35 years' experience in capital investment, consumer marketing, infrastructure investment and management, business development and corporate finance and an in-depth understanding of the Company's operations and business. Mr. Lo Wai Ming has expressed objective views and given independent guidance to the Company over the past years. He continues demonstrating a firm commitment to his role. The Nomination Committee and the Board consider that the long service of Mr. Lo Wai Ming would not affect his exercise of independent judgement and are satisfied that Mr. Lo Wai Ming has the required character, integrity and experience to continue fulfilling the role of an Independent Non-executive Director and consider Mr. Lo Wai Ming to be independent. An ordinary resolution was passed at the 2021 AGM to approve the re-appointment of Mr. Lo Wai Ming as an independent non-executive Director of the Company.

Mr. Lo Chao Ming ("**Mr. Lo**") has been an independent non-executive Director of the Company for more than nine years since 16 November 2006. In accordance with the Bye-laws of the Company, Mr. Lo retired from office by rotation at the 2020 annual general meeting of the Company held on 4 December 2020 (the "**2020 AGM**") and offered himself for re-election at the 2020 AGM. Mr. Lo has extensive knowledge and experience in the cable and wire industry, and an in-depth understanding of the Company's operations and business. Mr. Lo has expressed objective views and given independent guidance to the Company over the past years. He continues demonstrating a firm commitment to his role. The Nomination Committee and the Board consider that the long service of Mr. Lo would not affect his exercise of independent judgement and are satisfied that Mr. Lo has the required character, integrity and experience to continue fulfilling the role of an Independent Non-executive Director and consider Mr. Lo to be independent. A separate resolution will be proposed for his re-election at the 2022 AGM.

Code provision C.2.1

Under Code provision C.2.1, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

During the year under review, Mr. Chau Lai Him ("**Mr. Chau**") acted as the Chairman and the Managing Director of the Company. Mr. Chau is the founder of the Group and has extensive experience in the cable and wire industry and the mining industry. Mr. Chau is responsible for the effective running of the Board and for formulating business strategies. The Directors believe that it is in the best interests of the Group to have Mr. Chau continue to be both the Chairman and the Managing Director of the Company and that the current management structure has been effective for the development of the Group and implementation of business strategies under the leadership of Mr. Chau.

The Directors will continue to review the effectiveness of the Group's corporate governance structure to assess whether changes, including the separation of the roles of the chairman and the chief executive officer, are necessary.

Code provision F.2.2

Under Code provision F.2.2, the chairman of the Board should attend the annual general meeting of the Company.

During the year under review, Mr. Chau, the Chairman and the Managing Director of the Company, was unable to attend the 2021 AGM as since March 2021, he has stayed in the PRC for the Group's business operations and could not return to Hong Kong due to the COVID-19 pandemic. Mr. Chau Chi Ho, the deputy Chairman of the Company, presided over the 2021 AGM.

In addition, the Company has adopted the following measures to align with the changes to the Code, which took effect on 1 January 2022:

(1) Mission of the Group

Under Code provision A.1.1 of the Code, the Board is required to establish the Company's purpose, values and strategy, and ensure that these and the Company's culture are aligned.

Since the year 2013, the Group has adopted the following principle statement as the mission of the Group (the "**Mission**"):

– **To provide innovative, quality products with prompt delivery to customers at the most competitive prices**

– **為客戶提供創新的優質產品，不但交貨快捷，而且價格公道。**

(2) Anti-Corruption Policy

Under Code provision D.2.7 of the Code, the Board is required to establish an anti-corruption policy and system that promote and support anti-corruption laws and regulations.

The Board has adopted the anti-corruption policy (the "**Anti-Corruption Policy**") which sets out the principles and guidelines for the Company to promote and support anti-corruption laws and regulations.

Since 8 April 2022, the Anti-Corruption Policy has become effective and its full text is available on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.1166hk.com).

(3) Whistleblowing Policy

Under Code provision D.2.6 of the Code, the Board is required to establish a whistleblowing policy and system foe employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee or any designated committee of the Company about possible improprieties in any matter related to the Company.

The Board has adopted the whistleblowing policy (the "**Whistleblowing Policy**") and has established a whistleblowing committee of the Company (the "**Whistleblowing Committee**") which comprises the head of internal audit, and Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming, all of whom are independent non-executive Directors of the Company.

The Whistleblowing Policy aims to enable the Company's employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Whistleblowing Committee, about possible improprieties in matters related to the Company, in order to help detect and deter misconduct or malpractice or unethical acts in the Company.

Since 8 April 2022, the Whistleblowing Policy has become effective and its full text is available on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.1166hk.com).

(4) Board Independence Evaluation Mechanism

Under Code provision B.1.4 of the Code, the Board is required to establish mechanism(s) to ensure independent views and input are available to the Board.

The Board has adopted the board independence evaluation mechanism (the "**Mechanism**") which sets out the principles and guidelines for the Company to ensure independent view and input to be available to the Board.

Since 8 April 2022, the Mechanism has become effective and its full text is available on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.1166hk.com).

(5) Shareholders' Communication Policy

Under new Paragraph L of the Mandatory Disclosure Requirements which was upgraded from the code provision under the Code on 1 January 2022, the Board is required to conduct annual review of the shareholders' communication policy (the "**Shareholders' Communication Policy**") to ensure its effectiveness and make disclosure in CG report which is to be incorporated in annual report of the Company.

The full text of the Shareholders' Communication Policy is available on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.1166hk.com).

Further details of the above measures will be disclosed in the CG report of the 2022 annual report of the Company.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Company (the "**Audit Committee**") comprises Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming, all of whom are independent non-executive Directors of the Company. It has adopted the terms of reference which are in line with the Code provisions.

The Audit Committee has reviewed the annual results of the Group for the year under review as well as the risk management and internal control systems.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 June 2022 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year under review. The work performed by BDO 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 BDO Limited on this announcement.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "**Remuneration Committee**") comprises Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming, all of whom are independent non-executive Directors of the Company. It has adopted the terms of reference which are in line with the Code provisions. The duties of the Remuneration Committee include reviewing and evaluating the remuneration packages of executive Directors and senior management and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The nomination committee of the Company (the "**Nomination Committee**") comprises Mr. Chau Lai Him, the executive director and Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming, all of whom are independent non-executive Directors of the Company. It has adopted the terms of reference which are in line with the Code provisions.

The duties of the Nomination Committee include reviewing the composition of the Board at least annually, identifying and recommending suitable board members, monitoring the implementation of the board diversity policy, assessing independence of independent nonexecutive Directors and making recommendations on appointments and re-appointments of Directors.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of conduct regarding Directors' securities transactions. Having made specific enquiries with all of the Directors, each of the Directors confirmed that he had complied with the required standards set out in the Model Code throughout the year under review.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, the shareholders, staff and management of the Company for their continuous dedication, commitment and support in the past year.

On behalf of the Board
Solartech International Holdings Limited
Chau Lai Him
Chairman and Managing Director

Hong Kong, 29 September 2022

As at the date of this announcement, the executive Directors are Mr. Chau Lai Him, Mr. Chau Chi Ho and Mr. Liu Dong Yang and the independent non-executive Directors are Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming.