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

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

2023/2024 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 2024 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 2024

	Notes	**2024** ***HK$'000***	2023 *HK$'000*
Revenue	4	**795,700**	374,316
Cost of sales		**(728,476)**	(362,161)
Gross profit		**67,224**	12,155
Interest income		**10,909**	13,985
Other income and other gains/(losses), net		**10,862**	217
General and administrative expenses		**(84,109)**	(61,628)
Selling and distribution expenses		**(7,912)**	(7,650)
Finance costs	7	**(19,653)**	(19,768)
Change in fair value of derivative financial instruments, net		**148**	62
Change in fair value of investment properties, net	11	**(86,834)**	(1,262)
Change in fair value of financial assets at fair value through profit or loss, net		**(2,077)**	(533)
Expected credit loss recognised, net		**(2,317)**	(4,609)
Reversal of impairment loss/(impairment loss) on intangible asset	13	**1,087**	(92,044)
Gain on disposal of a subsidiary	18	**–**	4,606
Share of results of associates		**574**	(643)
Share of results of joint ventures		**1,142**	(7,086)

* *For identification purposes only*

	Notes	**2024** **HK$'000**	2023 *HK$'000*
Loss before taxation	6	**(110,956)**	(164,198)
Income tax credit/(expense)	8	**21,709**	(12,561)
Loss for the year		**(89,247)**	(176,759)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(693)**	(17,726)
Reclassification adjustment on exchange difference for disposal of associates during the year	14	**287**	–
Reclassification adjustment on exchange difference for foreign operation disposed of during the year	18	**–**	(5,766)
Share of other comprehensive income of associates		**(17)**	(277)
Share of other comprehensive income of joint ventures		**8**	3
Other comprehensive income for the year		**(415)**	(23,766)
Total comprehensive income for the year		**(89,662)**	(200,525)
Loss attributable to:			
Owners of the Company		**(88,516)**	(176,246)
Non-controlling interests		**(731)**	(513)
		(89,247)	(176,759)
Total comprehensive income attributable to:			
Owners of the Company		**(88,948)**	(200,138)
Non-controlling interests		**(714)**	(387)
		(89,662)	(200,525)
			(Restated)
Loss per share:			
– Basic and diluted *(HK$)*	10	**(0.75)**	(1.48)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**15,594**	17,709
Investment properties	11	**586,369**	669,164
Right-of-use assets	12	**6,965**	8,414
Intangible asset	13	**395,849**	394,772
Interests in associates	14	**745**	2,757
Interests in joint ventures	15	**3,106**	1,956
Total non-current assets		**1,008,628**	1,094,772
Current assets			
Inventories		**25,342**	23,818
Debtors, other loans and receivables, deposits and prepayments	16	**227,017**	235,214
Bills receivable		**2**	1,461
Financial assets at fair value through profit or loss		**3,800**	5,930
Bank balances and cash		**102,526**	85,665
Total current assets		**358,687**	352,088
Current liabilities			
Creditors, other advances and accrued charges	17	**247,108**	212,309
Borrowings		**156,604**	129,177
Derivative financial liabilities		**–**	177
Lease liabilities		**1,110**	1,262
Total current liabilities		**404,822**	342,925
Net current (liabilities)/assets		**(46,135)**	9,163
Total assets less current liabilities		**962,493**	1,103,935

	Notes	**2024**	2023
	Notes	***HK$'000***	*HK$'000*
Non-current liabilities			
Lease liabilities	12	**687**	1,798
Other payables and advances	17	**4,288**	7,334
Borrowings		**105,830**	131,764
Deferred tax liabilities		**52,962**	74,884
Total non-current liabilities		**163,767**	215,780
Total net assets		**798,726**	888,155
EQUITY			
Capital and reserves			
Share capital		**23,745**	23,745
Reserves		**776,744**	865,459
Equity attributable to owners of the Company		**800,489**	889,204
Non-controlling interests		**(1,763)**	(1,049)
Total equity		**798,726**	888,155

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	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 2022	23,745	1,828,432	612,360	900	4,878	108,253	–	(1,489,226)	1,089,342	(662)	1,088,680
Loss for the year	–	–	–	–	–	–	–	(176,246)	(176,246)	(513)	(176,759)
Exchange difference on translation of foreign operations	–	–	–	(17,852)	–	–	–	–	(17,852)	126	(17,726)
Reclassification adjustment on exchange difference for foreign operation disposed during the year	–	–	–	(5,766)	–	–	–	–	(5,766)	–	(5,766)
Share of other comprehensive income of associates	–	–	–	(277)	–	–	–	–	(277)	–	(277)
Share of other comprehensive income of joint ventures	–	–	–	3	–	–	–	–	3	–	3
Total comprehensive income for the year	–	–	–	(23,892)	–	–	–	(176,246)	(200,138)	(387)	(200,525)
Disposal of a subsidiary	–	–	–	–	–	(2,172)	–	2,172	–	–	–
Release upon disposal of investment properties	–	–	–	–	–	(6,180)	–	6,180	–	–	–
At 30 June 2023	23,745	1,828,432	612,360	(22,992)	4,878	99,901	–	(1,657,120)	889,204	(1,049)	888,155

	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 2023	**23,745**	**1,828,432**	**612,360**	**(22,992)**	**4,878**	**99,901**	**-**	**(1,657,120)**	**889,204**	**(1,049)**	**888,155**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(88,516)**	**(88,516)**	**(731)**	**(89,247)**
Exchange difference on translation of foreign operations	**-**	**-**	**-**	**(710)**	**-**	**-**	**-**	**-**	**(710)**	**17**	**(693)**
Reclassification adjustment on exchange difference for disposal of associates during the year	**-**	**-**	**-**	**287**	**-**	**-**	**-**	**-**	**287**	**-**	**287**
Share of other comprehensive income of associates	**-**	**-**	**-**	**(17)**	**-**	**-**	**-**	**-**	**(17)**	**-**	**(17)**
Share of other comprehensive income of joint ventures	**-**	**-**	**-**	**8**	**-**	**-**	**-**	**-**	**8**	**-**	**8**
Total comprehensive income for the year	**-**	**-**	**-**	**(432)**	**-**	**-**	**-**	**(88,516)**	**(88,948)**	**(714)**	**(89,662)**
Equity-settled share-based payment	**-**	**-**	**-**	**-**	**-**	**-**	**233**	**-**	**233**	**-**	**233**
At 30 June 2024	**23,745**	**1,828,432**	**612,360**	**(23,424)**	**4,878**	**99,901**	**233**	**(1,745,636)**	**800,489**	**(1,763)**	**798,726**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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, properties holding, provision of financing service and 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 2023

The Hong Kong Institute of Certified Public Accountants ("**HKICPA**") has issued a number of new or amended HKFRSs that are first effective for the current accounting year of the Group:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 7	Insurance Contract

Except as disclosed below, none of these new or amended HKFRSs have material impact on the Group's results and financial position for the current or prior years but affect the disclosure of accounting policies of the Group.

Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

(b) New Guidance on accounting implications of the abolition of the mandatory provident fund ("MPF") – long service payments ("LSP") offsetting mechanism in Hong Kong issued by the HKICPA

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 ("**the Amendment Ordinance**") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the MPF to offset severance payment ("**SP**") and LSP ("**the Abolition**"). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025 ("**the Transition Date**"). The following key changes will take effect since the Transition Date:

Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.

The pre-transition LSP/SP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the salary of employment termination date.

Due to the complexities of the accounting for the offsetting of accrued benefits derived from an employer's MPF contributions and its LSP obligation, the accounting for offsetting mechanism could become material in light of the abolition, the HKICPA published 'Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong' ("**the Guidance**") in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches for the offsetting mechanism, being:

Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee's LSP benefits in terms of HKAS 19.93(a)

Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 30 June 2023 and 2024, the Group's LSP liability before the expected offsetting under the MPF-LSP offsetting mechanism is immaterial. Application of the Guidance had no material effect on the consolidated financial statements of the Group.

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

The following new/revised HKFRSs have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised) (the "**2020 Amendments**")[1,2,6]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1,2]
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]
HKFSR 19	Subsidiaries without Public Accountability: Disclosures[4]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027
5 No mandatory effective date yet determined but available for adoption
6 As a consequence of the 2020 Amendments and 2022 Amendments, Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

Except for the updated disclosures and presentation, the Group does not anticipate that the application of these amendments in the future will have a material impact on the consolidated financial statements.

Amendments to HKAS 7 and HKFRS 7, Supplier Finance Arrangements

The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Early adoption is permitted, but will need to be disclosed.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRSs**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of preparation of consolidated financial statements and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values.

The Directors of the Company have given careful consideration to the going concern status of the Group in the preparation of the consolidated financial statements in light of the fact that the Group (i) incurred a loss of HK$89,247,000 for the year ended 30 June 2024, (ii) the Group's current liabilities exceeded its current assets by HK$46,135,000 as at 30 June 2024 and (iii) the Group had borrowings of HK$262,434,000 out of which HK$156,604,000 is repayable within the next twelve months after 30 June 2024 while the Group's cash and cash equivalents amounted to HK$102,526,000 as at 30 June 2024. For the purpose of assessing the appropriateness of the use of the going concern basis, the Directors of the Company have prepared a cash flow projection covering a period from the end of the reporting period to 31 December 2025 (the "**Cash Flow Projection**") after taking the following considerations into account:

i. the Group will implement various measures to improve its profitability and cash flow from operations. These include, among others, negotiating with customers to improve the sales terms; selling products and/or exploring into geographical markets with higher profit margins; streamlining manpower and hence controlling staff costs; and tightening other general and administrative expenses;

ii. the Group had loan receivables with carrying amount of HK$114,431,000 as at 30 June 2024 which will be matured and receivable within the next twelve months after 30 June 2024. The Group intended to keep the cash that will be collected for internal use in order to improve the working capital and liquidity of the Group; and

iii. the Group has been negotiating with the financial institutions in the PRC for renewing the remaining existing facilities and obtaining additional facilities. Given the good track records with the relevant financial institutions and the availability of sufficient assets as collaterals, the Directors are of the opinion that the Group will successfully renew the existing interest-bearing borrowings upon expiry and would be able to obtain additional facilities.

The Directors of the Company performed a sensitivity analysis on the gross profit margin by considering possible negative impact on the effectiveness of the measures to improve profitability and cash flow from operations to test the resilience of the forecasted liquidity and is satisfied that, based on the Cash Flow Projection, the Group would have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Accordingly, the Directors of the Company considered that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

Notwithstanding the above, there are inherent uncertainties associated with outcome of the above considerations, including whether the Group is able to improve profitability given the economic and competitive environment in which the Group operates and the financial institutions in the PRC would renew existing and grant additional facilities. These indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Should the going concern assumption be inappropriate, adjustments would have to be made in the consolidated financial statements to write down the values of assets to their net realisable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

4. REVENUE

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

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Sales of goods	**785,198**	362,204
Revenue from other sources:		
Rental income	**10,502**	12,112
	795,700	374,316

5. SEGMENTAL INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers ("**CODM**") 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 2023 and 2024 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 on adjusted profit/loss before taxation. The adjusted profit/loss before taxation is measured consistently with the Group's profit/loss before taxation except that gain/(loss) on disposal of property, plant and equipment, gain on disposal of right-of-use assets, change in fair value of derivative financial instruments, reversal of impairment loss/(impairment loss) on intangible asset of mining right, share of results of associates and joint ventures as well as head office and corporate expenses are excluded from such measurement.

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

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

For the year ended 30 June 2024

	Cables and wires *HK$'000*	Copper rods *HK$'000*	Investment properties *HK$'000*	Total *HK$'000*
Revenue from external customers	**248,137**	**537,061**	**10,502**	**795,700**
Inter-segment revenue	**–**	**–**	**–**	**–**
Reportable segment revenue	**248,137**	**537,061**	**10,502**	**795,700**
Reportable segment loss	**(1,339)**	**(1,414)**	**(93,705)**	**(96,458)**
Finance costs				
– allocated	**(8,701)**	**–**	**(10,779)**	**(19,480)**
– unallocated				**(173)**
				(19,653)
Write back of other payables	**7,498**	**–**	**–**	**7,498**
Change in fair value of investment properties, net	**–**	**–**	**(86,834)**	**(86,834)**
Reversal of expected credit loss/ (expected credit loss) recognised, net				
– allocated	**(361)**	**10**	**(293)**	**(644)**
– unallocated				**(1,673)**
				(2,317)
Depreciation of right-of-use assets				
– allocated	**(1)**	**–**	**(177)**	**(178)**
– unallocated				**(1,179)**
				(1,357)
Depreciation of property, plant and equipment				
– allocated	**(3,573)**	**(58)**	**–**	**(3,631)**
– unallocated				**(64)**
				(3,695)
Research and development expenses	**(29,490)**	**–**	**–**	**(29,490)**
Income tax credit	**–**	**–**	**21,709**	**21,709**

For the year ended 30 June 2023

	Cables and wires HK$'000	Copper rods HK$'000	Investment properties HK$'000	Total HK$'000
Revenue from external customers	205,120	157,084	12,112	374,316
Inter-segment revenue	–	–	–	–
Reportable segment revenue	205,120	157,084	12,112	374,316
Reportable segment (loss)/profit	(38,687)	(10,157)	8,657	(40,187)
Finance costs				
– allocated	(8,966)	(8,960)	(1,703)	(19,629)
– unallocated				(139)
				(19,768)
Change in fair value of derivative financial instruments, net				
– allocated	226	–	–	226
– unallocated				(164)
				62
Change in fair value of investment properties, net	–	–	(1,262)	(1,262)
Loss on disposal of property, plant and equipment				
– allocated	(910)	–	–	(910)
– unallocated				(30)
				(940)
Loss on disposal of investment properties	–	–	(2,200)	(2,200)
Reversal of expected credit loss/(expected credit loss) recognised, net				
– allocated	2,029	(6)	(1,206)	817
– unallocated				(5,426)
				(4,609)
Depreciation of right-of-use assets				
– allocated	(4)	–	(184)	(188)
– unallocated				(1,886)
				(2,074)
Depreciation of property, plant and equipment				
– allocated	(3,458)	(216)	(73)	(3,747)
– unallocated				(277)
				(4,024)
Research and development expenses	(15,466)	–	–	(15,466)
Income tax (expense)/credit	(12,877)	–	316	(12,561)

As at 30 June 2024

	Cables and wires HK$'000	Copper rods HK$'000	Investment properties HK$'000	Total HK$'000
Reportable segment assets	**345,070**	**13,816**	**589,922**	**948,808**
Additions to non-current assets	**1,723**	**–**	**7,023**	**8,746**
Reportable segment liabilities	**281,877**	**711**	**280,404**	**562,992**

As at 30 June 2023

	Cables and wires HK$'000	Copper rods HK$'000	Investment properties HK$'000	Total HK$'000
Reportable segment assets	295,305	54,753	672,949	1,023,007
Additions to non-current assets	–	1,480	38,156	39,636
Reportable segment liabilities	208,768	29,364	308,019	546,151

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

	2024 HK$'000	2023 HK$'000
For the year ended 30 June		
Loss before taxation		
Reportable segment loss	**(96,458)**	(40,187)
Gain/(loss) on disposal of property, plant and equipment	**2,113**	(30)
Gain on disposal of right-of-use assets	**2,100**	1,809
Change in fair value of derivative financial instruments	**148**	(164)
Reversal of impairment loss/(impairment loss) on intangible asset	**1,087**	(92,044)
Share of results of associates	**574**	(643)
Share of results of joint ventures	**1,142**	(7,086)
Unallocated finance costs	**(173)**	(139)
Unallocated corporate expenses	**(21,489)**	(25,714)
Consolidated loss before taxation	**(110,956)**	(164,198)
At 30 June		
Assets		
Reportable segment assets	**948,808**	1,023,007
Intangible asset	**395,849**	394,772
Interests in associates	**745**	2,757
Interests in joint ventures	**3,106**	1,956
Unallocated bank balances and cash	**4,400**	4,175
Unallocated corporate assets	**14,407**	20,193
Consolidated total assets	**1,367,315**	1,446,860

	2024	2023
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**562,992**	546,151
Unallocated corporate liabilities	**5,597**	12,554
Consolidated total liabilities	**568,589**	558,705

(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.

	Revenue from external customers		**Specified non-current assets**	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The PRC	**675,323**	264,041	**605,699**	690,149
Americas	**30,439**	29,548	**–**	–
Europe	**42,039**	33,770	**–**	–
Hong Kong	**15,116**	17,977	**3,229**	5,138
Mongolia	**–**	–	**398,955**	396,728
Others	**32,783**	28,980	**745**	2,757
	795,700	374,316	**1,008,628**	1,094,772

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 2024

	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	**248,137**	**537,061**	**–**	**785,198**
Transferred over time	**–**	**–**	**–**	**–**
	248,137	**537,061**	**–**	**785,198**
Revenue from other sources	**–**	**–**	**10,502**	**10,502**
	248,137	**537,061**	**10,502**	**795,700**

For the year ended 30 June 2023

	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	205,120	157,084	–	362,204
Transferred over time	–	–	–	–
	205,120	157,084	–	362,204
Revenue from other sources	–	–	12,112	12,112
	205,120	157,084	12,112	374,316

(e) Information about major customers

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

	2024 ***HK$'000***	2023 *HK$'000*
Copper rods segment		
Customer A	**N/A***	51,344
Customer B	**N/A***	45,950

* The corresponding customers did not contribute over 10% of the total revenue of the Group for the year ended 30 June 2024.

6. LOSS BEFORE TAXATION

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

	2024	2023
	HK$'000	*HK$'000*
Auditor's remuneration	**2,160**	2,150
Depreciation of property, plant and equipment	**3,695**	4,024
Depreciation of right-of-use assets	**1,357**	2,074
Carrying amount of inventories sold	**728,825**	361,445
(Reversal of write-down)/write-down of inventories	**(349)**	716
Cost of inventories recognised as expenses *(Note)*	**728,476**	362,161
Direct operating expenses arising from investment properties that generated and did not generate rental income during the year	**105**	2
Write back of other payables	**(7,498)**	–
(Gain)/loss on disposal of property, plant and equipment	**(2,113)**	940
Loss on disposal of investment properties	**–**	2,200
Gain on disposal of right-of-use assets	**(2,100)**	(1,809)
Loss on disposal of associates	**1,235**	–
Exchange difference, net	**(341)**	(5,011)
Government subsidies	**–**	(304)
Research and development expenses	**29,490**	15,466
Staff costs (including directors' remuneration)	**44,043**	45,441

Note: Included in cost of inventories recognised as expenses is HK$16,775,000 and HK$2,327,000 (2023: HK$23,656,000 and HK$2,602,000) relating to staff costs and depreciation of property, plant and equipment respectively. The amounts are also included in the respective total amounts as separately disclosed above.

7. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest on borrowings	**15,818**	19,630
Interest on lease liabilities	**171**	138
Interest on overdue trade and other payables	**3,519**	–
Others	**145**	–
	19,653	19,768

8. INCOME TAX (CREDIT)/EXPENSE

	2024	2023
	HK$'000	*HK$'000*
Current tax for the year		
Hong Kong Profits Tax		
– provision for the year	**–**	–
Taxation in other jurisdictions:		
– provision for the year	**–**	–
	–	–
Deferred tax for the year	**(21,709)**	12,561
	(21,709)	12,561

For the year ended 30 June 2024, no provision for Hong Kong Profits Tax has been provided as there is sufficient tax losses to offset with the assessable profits. For the year ended 30 June 2023, no provision for Hong Kong Profits Tax has been provided as there is no assessable profit arising in Hong Kong.

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.

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.

9. DIVIDEND

The Directors did not recommend the payment of any dividend for the years ended 30 June 2024 and 2023.

10. LOSS PER SHARE

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

	2024	2023
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to the owners of the Company	**(88,516)**	(176,246)

	2024	2023 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**118,726,617**	118,726,617

The weighted average number of ordinary shares for the purposes of calculating basic loss per share for the years ended 30 June 2024 and 2023 has been adjusted/restated to reflect the effect of the share consolidation took place during the year ended 30 June 2024.

The computation of diluted loss per share for the years ended 30 June 2024 and 2023 does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share. Therefore, the diluted loss per share was the same as the basic loss per share for the years ended 30 June 2024 and 2023.

11. INVESTMENT PROPERTIES

	Completed investment properties *HK$'000*	**Investment properties under construction** *HK$'000*	**Total** *HK$'000*
At 1 July 2022	362,592	404,627	767,219
Additions	–	38,156	38,156
Change in fair value	(17,669)	16,407	(1,262)
Disposals	(52,200)	–	(52,200)
Disposal of a subsidiary *(Note 18)*	(26,870)	–	(26,870)
Exchange realignment	(22,027)	(33,852)	(55,879)
At 30 June 2023 and 1 July 2023	**243,826**	**425,338**	**669,164**
Additions	**–**	**7,023**	**7,023**
Change in fair value	**(33,525)**	**(53,309)**	**(86,834)**
Exchange realignment	**(1,045)**	**(1,939)**	**(2,984)**
At 30 June 2024	**209,256**	**377,113**	**586,369**

12. LEASES

(a) The Group as lessee

The Group has lease contracts for office buildings and motor vehicles. 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.

(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	**Buildings**	**Motor vehicle**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 July 2022	5,910	1,270	727	7,907
Additions	–	3,135	–	3,135
Disposals	(115)	–	–	(115)
Depreciation	(188)	(1,705)	(181)	(2,074)
Exchange realignment	(439)	–	–	(439)
As at 30 June 2023 and 1 July 2023	**5,168**	**2,700**	**546**	**8,414**
Disposals	**(66)**	**–**	**–**	**(66)**
Depreciation	**(178)**	**(1,045)**	**(134)**	**(1,357)**
Exchange realignment	**(26)**	**–**	**–**	**(26)**
As at 30 June 2024	**4,898**	**1,655**	**412**	**6,965**

(ii) Lease liabilities

	2024	2023
	HK$'000	*HK$'000*
At 1 July	**3,060**	1,991
New leases	**–**	3,135
Interest expenses	**171**	138
Lease payments	**(1,434)**	(2,204)
At 30 June	**1,797**	3,060
Classified under:		
Non-current portion	**687**	1,798
Current portion	**1,110**	1,262
	1,797	3,060

At 30 June 2024, the undiscounted lease payments by the Group in future period under non-cancellable operating leases with its tenants are as follows:

	2024		
	Future lease payments	**Interest**	**Present value**
	HK$'000	***HK$'000***	***HK$'000***
Within one year	**1,200**	**90**	**1,110**
After one year but within two years	**700**	**13**	**687**
	1,900	**103**	**1,797**

	2023		
	Future lease payments	Interest	Present value
	HK$'000	*HK$'000*	*HK$'000*
Within one year	1,435	173	1,262
After one year but within two years	1,200	90	1,110
After two years but within five years	700	12	688
	3,335	275	3,060

(b) The Group as lessor

The Group leases out its investment properties under operating lease arrangements with leases negotiated for initial period ranging from one year to ten years (2023: one year to ten years). As at 30 June 2024, the Group had contracted with tenants for the following future lease payments receivable:

	2024	2023
	HK$'000	*HK$'000*
Within one year	**3,994**	7,770
In the second year	**1,753**	6,674
In the third year	**1,867**	223
In the fourth year	**1,867**	82
In the fifth year	**1,867**	82
Over five years	**933**	124
	12,281	14,955

13. INTANGIBLE ASSET

	Mining right
	HK$'000
COST:	
At 1 July 2022	1,167,718
Exchange realignment	(4)
At 30 June 2023 and 1 July 2023	**1,167,714**
Exchange realignment	**(10)**
At 30 June 2024	**1,167,704**
ACCUMULATED AMORTISATION AND IMPAIRMENT:	
At 1 July 2022	680,898
Impairment	92,044
At 30 June 2023 and 1 July 2023	**772,942**
Reversal of impairment	**(1,087)**
At 30 June 2024	**771,855**
NET CARRYING AMOUNT:	
At 30 June 2024	**395,849**
At 30 June 2023	394,772

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 2024, the directors of the Company have engaged Peak Vision Appraisals Limited, which is an independent firm of professionally qualified valuer, in determining the recoverable amount of the cash-generating unit ("**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. There has been no change from the valuation technique used in prior year.

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

At 30 June 2024, management analysed changes in the economic environment and performed an impairment test for Mining CGU at 30 June 2024 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, of 2,093,000 tonnes of ores. The ores will be used primarily for the production of the primary copper cathode;

– Budgeted average gross margins 52% in the cash flow projection periods based on management expectations of market development and estimated mineral resources reserves based on technical report;

– The unit market price of copper cathode was US$8,444 per tonne with reference to the future copper price at the end of each forecast period predicted by the World Bank;

– The post-tax discount rate was estimated in real terms based on the weighted average cost of capital basis and was 24.77%. 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;

– Set-up costs, including but not limited to work in relation to the construction of processing plant, office, storage for explosive materials, staff accommodation and other ancillary work, were projected based on the technical report adjusted for inflation. It is expected that the set-up period is approximately 3 years.

– Operating costs such as processing, transportation and administrative costs were projected based on the technical 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 historic 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 30% and would lead to an impairment of HK$116,617,000; and

– A 10% increase in the post-tax discount rate (i.e. increased from 24.77% to 27.25%) would result in a decrease in the recoverable amount by 16% and would lead to an impairment of HK$63,545,000.

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

As at 30 June 2024, the recoverable amount of the Mining CGU was HK$395,849,000 which was higher than the carrying amount of HK$394,762,000 as a result of the net effect of the increase in forecasted copper price offset by increase in forecasted operating costs due to increase in forecasted Mongolia inflation rate, and hence, a resultant increase in forecasted future net cash inflows. Accordingly, a reversal of impairment losses on Mining CGU of approximately HK$1,087,000 is recognised in profit or loss for the year ended 30 June 2024.

As at 30 June 2023, in view of the continuously decrease in the copper price and increase in the Mongolia inflation rate, the recoverable amount of the Mining CGU is HK$394,772,000, which is lower than the carrying amount of HK$486,816,000. Accordingly, impairment losses on Mining CGU of approximately HK$92,044,000 is recognised in profit or loss for the year ended 30 June 2023. The impairment loss is primary attributed to the decrease in the recoverable amount of the Mining CGU, which is due to the decrease in copper price and increase in Mongolia inflation rate, and hence a corresponding decrease in future net cash inflows.

14. INTERESTS IN ASSOCIATES

	2024	2023
	HK$'000	*HK$'000*
Share of net assets	**745**	2,757

Particulars of the Group's associates as at 30 June 2024 and 2023 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)	Inactive
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 some furnishing lighting appliances, LED lighting products and other electrical materials and parts for various electrical appliances in the PRC
中山市博林電子科技有限公司*	Limited liability company	PRC	17% (indirect)	Research, development, processing and sales of some 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" and was disposed during the year ended 30 June 2024

On 30 April 2024, the Group, through a wholly-owned subsidiary, entered into an agreement with an independent purchaser to dispose of its 17% equity interest in the Ocean Pride Group (the "**Disposal**"), at the consideration of RMB1,500,000 (equivalent to HK$1,621,000) in cash. On 14 May 2024, the Disposal was completed and a loss on disposal of HK$1,235,000 was recognised in profit or loss for the year ended 30 June 2024 as follows:

	HK$'000
Carrying amount of interest in the Ocean Pride Group as at 1 July 2023	2,368
Share of results of the Ocean Pride Group	218
Share of other comprehensive income of the Ocean Pride Group	(17)
Carrying amount of interest in the Ocean Pride Group as at 14 May 2024	2,569
Cumulative exchange differences in respect of the net assets of the Ocean Pride Group reclassified from equity to profit or loss on disposal of the Ocean Pride Group	287
Loss on disposal	(1,235)
Total consideration	1,621

15. INTERESTS IN JOINT VENTURES

	2024 *HK$'000*	2023 *HK$'000*
Share of net assets	**3,106**	1,956

Particulars of the Group's joint ventures as at 30 June 2024 and 2023 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.

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

	2024	2023
	HK$'000	*HK$'000*
Trade debtors, net	**84,113**	57,642
Loans receivable, net	**114,431**	145,455
Prepayments	**7,567**	6,932
Deposits and other receivables, net	**11,241**	15,572
VAT recoverable	**9,665**	9,613
	227,017	235,214

(i) The Group's sales are mainly made on (i) cash on delivery, and (ii) credit terms of 30 to 90 days (2023: Same).

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

	2024	2023
	HK$'000	*HK$'000*
Within 30 days	**43,936**	25,247
31–60 days	**20,588**	16,940
61–90 days	**13,250**	9,069
Over 90 days	**6,339**	6,386
	84,113	57,642

17. CREDITORS, OTHER ADVANCES AND ACCRUED CHARGES

	2024	2023
	HK$'000	*HK$'000*
Trade creditors	**117,763**	55,173
Contract liabilities	**9,935**	16,553
Other payables and accruals	**123,322**	147,647
Rental received in advance	**376**	270
	251,396	219,643
Less: Amount shown under non-current liabilities		
Other payables	**(4,288)**	(7,334)
Amount shown under current liabilities	**247,108**	212,309

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

	2024	2023
	HK$'000	*HK$'000*
0–30 days	**63,798**	37,179
31–60 days	**11,429**	11,459
61–90 days	**6,244**	1,631
Over 90 days	**36,292**	4,904
	117,763	55,173

Note: Contract liabilities primarily relate 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:

	2024	2023
	HK$'000	*HK$'000*
At the beginning of year	**16,553**	7,282
Cash received	**9,844**	17,173
Recognised as revenue	**(16,300)**	(6,931)
Exchange realignment	**(162)**	(971)
At the end of year	**9,935**	16,553

HK$16,300,000 of the contract liabilities as at 1 July 2023 were recognised as revenue for the year ended 30 June 2024 from performance obligations satisfied during the year.

The contract liabilities as at 30 June 2024 were expected to be recognised as revenue in the next 12 months. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations which has an original expected duration of one year or less is not disclosed.

18. DISPOSAL OF A SUBSIDIARY

On 15 March 2023, the Group, through a wholly-owned subsidiary, entered into an agreement with the independent purchasers to dispose of the entire issued share capital in a subsidiary, Shanghai Chau's Electrical Company Limited (the "**Disposal SCE**"), at the consideration of HK$19,063,000 in cash. The Disposal SCE is principally engaged in property holding in the PRC.

During the year ended 30 June 2023, the disposal of equity interest in the Disposal SCE was completed.

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

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	116
Investment properties	26,870
Other receivables, deposits, and prepayments	9,310
Bank balances and cash	112
Other payables and accruals	(10,737)
Deferred tax liabilities	(5,448)
Net assets disposed of	20,223
Cumulative exchange differences in respect of the net assets of the Disposal SCE reclassified from equity to profit or loss on loss of control of the Disposal SCE	(5,766)
Gain on disposal	4,606
Total consideration	19,063
Net cash inflow arising on disposal:	
Cash consideration *(Note)*	19,063
Less: Bank balances and cash disposed of	(112)
Net cash inflows	18,951

Note: During the year ended 30 June 2023, the consideration of HK$19,063,000 has been received by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board announces that for the year ended 30 June 2024 (the "**year under review**"), total turnover of the Group was approximately HK$795,700,000, representing an increase of 112.6% as compared to approximately HK$374,316,000 recorded for the corresponding period last year. During the year under review, loss attributable to owners of the Company was approximately HK$88,516,000, representing a decrease of 49.8% as compared to the loss attributable to owners of the Company of approximately HK$176,246,000 for the corresponding period last year. Loss per share for the year under review was approximately HK$0.75 (Loss per share for 2022/2023: HK$1.48 restated).

BUSINESS REVIEW

The Group's turnover for the year under review was approximately HK$795,700,000, representing an increase of 112.6% as compared to approximately HK$374,316,000 for the same period of last year. By business segments, the turnover of the cables and wires business was approximately HK$248,137,000, representing an increase of 21.0% as compared to approximately HK$205,120,000 for the same period of last year and accounting for 31.2% of the Group's total turnover. Turnover of the copper rod business was approximately HK$537,061,000, representing an increase of 241.9% as compared to approximately HK$157,084,000 for the same period of last year and accounting for 67.5% of the Group's total turnover. Turnover of the leasing business was approximately HK$10,502,000, representing a decrease of 13.3% as compared to approximately HK$12,112,000 for the same period of last year and accounting for 1.3% of the Group's total turnover.

By geographical market segments, turnover from the business in the Americas increased by 3.0% to approximately HK$30,439,000 from approximately HK$29,548,000 for the same period of last year, accounting for 3.8% of the Group's total turnover. Turnover from the business in Mainland China and Hong Kong increased by 144.8% to approximately HK$690,439,000 from approximately HK$282,018,000 for the same period of last year, accounting for 86.8% of the Group's total turnover. Turnover from the business in Europe increased by 24.5% to approximately HK$42,039,000 from approximately HK$33,770,000 for the same period of last year, accounting for 5.3% of the Group's total turnover. Turnover from the business in other regions increased by 13.1% to approximately HK$32,783,000 from approximately HK$28,980,000 for the same period of last year, accounting for 4.1% of the Group's total turnover.

Cables and Wires

The Group's cables and wires business recorded a turnover of approximately HK$248,137,000 for the year under review, representing an increase of 21.0% as compared to approximately HK$205,120,000 for the same period of last year. The major customers are primarily manufacturers of white goods appliances. During the year under review, the Group's wire and cable business picked up amid a gradual rebound in the demand for home appliances as a result of China's consistent economic stability and the revival of social and economic activities.

Copper Rod Business

The Group's copper rod business comprises 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$537,061,000, representing an increase of 241.9% as compared to approximately HK$157,084,000 for the same period of last year. International copper prices rose steadily during the year under review, with the 3-month London Metal Exchange copper price increasing from approximately US$8,500 per tonne at the beginning of the year under review to approximately US$9,800 per tonne at the end of the year under review. The steady rise in copper prices during the year under review, coupled with the continued improvement in the economy, resulted in a much improved operating environment for the copper rod trading business. In view of the increase in copper prices and the improved operating environment, the Group stepped up its efforts in expanding its copper rod business.

Rental Income

The Group's investment properties mainly comprise industrial properties in the PRC. During the year under review, rental income was approximately HK$10,502,000, representing a decrease of approximately 13.3% as compared with approximately HK$12,112,000 for the same period of last year. The decrease was due to a sluggish leasing market and the effect of changes in Renminbi exchange rate during the year under review.

Mining

The Group's mining right is located in Dundgobi Aimag, Mongolia. No revenue was recorded for the year under review as the mining business has not yet commenced.

On 19 April 2024, the Parliament of Mongolia amended the Minerals Law of Mongolia 2006, marking yet another legislative change in the Mongolian mining industry. The amendments have created certain restrictions and related tax changes on the share ownership of legal entities holding licenses for mineral deposits of strategic importance.

As the Group's mining right is not held strategic importance, the amendment to the Minerals Law of Mongolia 2006 did not have any impact on the Group's mining right.

PROSPECTS

Despite China's economic steadiness, the persistent high interest rates worldwide and the sluggish leasing market have resulted in a highly unpredictable prospect. As such, the Group expects the operating environment to be challenging in the coming year. The Group will make timely changes to its strategies in response to the economic environment, reallocate its resources and seek solutions to increase its cash flows in the hope of minimising some of the uncertainties brought about by the sluggish leasing market and high interest rates.

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 2024 (30 June 2023: Nil).

ANNUAL GENERAL MEETING

The 2024 Annual General Meeting of the Company (the "**2024 AGM**") will be held on Friday, 6 December 2024.

CLOSURE OF REGISTER OF MEMBERS

For determining the qualification as shareholders of the Company to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Tuesday, 3 December 2024 to Friday, 6 December 2024, 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 2024 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 Monday, 2 December 2024.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had approximately 350 employees in Hong Kong, PRC and overseas (30 June 2023: 400). 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 2024 and 30 June 2023, 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 2024, the Group implemented a prudent financial management policy. As at 30 June 2024, the Group had cash and bank balances amounting to approximately HK$103 million (30 June 2023: HK$86 million) and value of net current liabilities was approximately HK$46 million (net current assets at 30 June 2023: HK$9 million). The Group's gearing ratio as at 30 June 2024 was 0.33 (30 June 2023: 0.29), being a ratio of total borrowings of approximately HK$262 million (30 June 2023: HK$261 million) to shareholders' funds of approximately HK$800 million (30 June 2023: HK$889 million).

During the year under review, the Group funded its operations principally with cash generated from its operations and bank borrowings.

The Group continues to derive its working capital from net cash generated from operating activities, additional bank borrowings, capital exercises and/or sale of non-core assets. The Group continues to manage its financial position carefully and maintains conservative policies in financial management. The Board closely reviews and monitors the Group's liquidity position to ensure that the Group can meet its funding requirement from time to time.

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 2024, the Group had pledged investment properties and property, plant and equipment with an aggregate net book value of approximately HK$558 million (30 June 2023: HK$631 million) to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2024 and 30 June 2023, the Company did not issue guarantees to secure any loan granted to its subsidiaries.

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 2024 and the changes in fair value were charged to the income statement. The net gain from the Derivative Financial Instruments for the year under review was approximately HK$148,000 (2022/2023: net gain of HK$62,000).

SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

On 4 March 2024 (the "**Announcement Date**"), the Company announced that the Board proposed to put forward a proposal to the shareholders of the Company to implement the share consolidation, pursuant to which every twenty (20) issued and unissued ordinary shares of par value of HK$0.01 each (the "**Existing Shares**") in the existing share capital of the Company would be consolidated into one (1) ordinary share of par value of HK$0.20 each (the "**Consolidated Shares**" or "**Shares**") in the share capital of the Company (the "**Share Consolidation**").

As at the Announcement Date, the authorised share capital of the Company was HK$500,000,000 divided into 50,000,000,000 shares of par value of HK$0.01 each and there were 2,374,532,340 Existing Shares in issue which were fully paid or credited as fully paid.

Change in Board Lot Size

As at the Announcement Date, the Existing Shares were traded on the Stock Exchange in board lot size of 20,000 Existing Shares and the Board proposed to change the board lot size for trading from 20,000 Existing Shares to 10,000 Consolidated Shares per board lot (the "**Change in Board Lot Size**") upon the Share Consolidation becoming effective.

Implementation of the Share Consolidation and the Change in Board Lot Size

On 11 April 2024, the special general meeting of the Company was held on 11 April 2024 (the "**SGM**") and the ordinary resolution for approval of the Share Consolidation (as described and defined in the notice of the SGM dated 20 March 2024) was duly passed by the shareholders of the Company by way of poll.

As all the conditions of the Share Consolidation have been fulfilled, the Share Consolidation and the Change in Board Lot Size became effective on 15 April 2024.

Upon the Share Consolidation becoming effective on 15 April 2024, (i) the authorised share capital of the Company remained at HK$500,000,000 and is divided into 2,500,000,000 Consolidated Shares of par value of HK$0.20 each; and (2) there were 118,726,617 Consolidated Shares in issue which were fully paid or credited as fully paid. The Consolidated Shares rank pari passu in all respects with each other and the Share Consolidation does not result in any change in the relative rights of the shareholders of the Company.

The details of the Share Consolidation and Change in Board Lot Size were set out in the announcements of the Company dated 4 March 2024 and 11 April 2024, the circular of the Company dated 20 March 2024 (the "**Circular**").

The details of the trading arrangement, the exchange of share certificates and matching arrangement for odd lots of the Consolidated Shares in connection with the Share Consolidation and the Change in Board Lot Size were set out in the Circular.

DISPOSAL OF 17% OF THE ISSUED SHARE CAPITAL OF OCEAN PRIDE VENTURES LIMITED (The "Target Company" or "Ocean Pride")

On 30 April 2024, Kadesh Resources Limited (the "**Vendor**"), an indirect wholly-owned subsidiary of the Company, and an independent purchaser (the "**Purchaser**") entered into a sales and purchase agreement (the "**Agreement**"), pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire the 17% of the issued share capital of the Target Company (the "**Disposal**") at the consideration of RMB1,500,000 (equivalent to approximately HK$1,620,000) in cash.

The Purchaser is a third party independent of and not connected with the Group and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

The Ocean Pride Group consists of the Target Company which holds Vietta Investment Holdings Limited (a company incorporated in Hong Kong with limited liability) and 3 PRC operating companies, The two PRC operating companies are principally engaged in research, development, processing and sales of home furnishing lighting appliances, LED lighting products and other electrical materials and parts for various electrical appliances in the PRC.

The Disposal was completed in May 2024 and the Vendor ceased to have any interest in the Target Company and the Target Company ceased to be an associate company of the Group.

The Board considered that the Disposal and the transaction contemplated under the Agreement are on normal commercial terms and the terms of the Agreement, which were determined after arm's length negotiations between the parties, are fair and reasonable. The Directors considered that Disposal is in the interests of the Company and its shareholders as a whole.

The details of the Disposal were set out in note 14 to the consolidated financial statement of this announcement.

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.

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 2024.

LITIGATION INVOLVING DIRECTORS OF THE COMPANY

As disclosed in the Company's announcement dated 5 June 2020, legal action has been taken by CS Asia Opportunities Master Fund to join, among other things, Mr. Chau Lai Him, an executive director and the chairman of the Board of the Company, and Mr. Chau Chi Ho, an executive director, the deputy chairman of the Board and the son of Mr. Chau Lai Him, as the 2nd defendant and the 3rd defendant respectively to the legal proceedings in High Court of Hong Kong against a Mr. Zhou ("**Mr. Zhou**") in relation to a purported oral guarantee given by Mr. Chau Lai Him and/or Mr. Chau Chi Ho for the amounts owing by Mr. Zhou who was allegedly to be in breach of, among others, an equity swap transaction confirmation dated 31 May 2018 and entered into between CS Asia Opportunities Master Fund and Mr. Zhou (the "**Action**"). Mr. Chau Lai Him and/or Mr. Chau Chi Ho have already engaged legal advisers to handle and defend the Action.

On 28 August 2024, the Company announced that the Action against Mr. Chau Lai Him and Mr. Chau Chi Ho has been dismissed by the High Court of Hong Kong.

LITIGATION INVOLVING AN INDIRECT NON-WHOLLY OWNED SUBSIDIARY OF THE COMPANY

As disclosed in the announcements of the Company dated 29 September 2023 and 28 February 2024, the construction works of the land development project of 廉江市周氏石材有限公司 (Lianjiang Zhou's Marble Company Limited*) ("**Zhou's Marble**"), an indirect non-wholly owned subsidiary of the Company, have been suspended since 2020 in light of the unfavorable trading conditions of the building stones industry and COVID-19-related issues. The constructor of the captioned project (the "**Plaintiff**") filed a claim against Zhou's Marble in the PRC for the settlement of the construction costs and Zhou's Marble was ordered to pay the Plaintiff approximately RMB21,000,000 pursuant to the first instance decision in early July 2023. Zhou's Marble filed an appeal against the decision in late July 2023. The Intermediate People's Court of Zhanjiang City, Guangdong Province ruled in mid-March 2024 that the first instance decision was based on unclear findings of basic facts and that the case should be remanded to the People's Court of Lianjiang City, Guangdong Province for retrial. On 5 July 2024, the first hearing of the retrial was held at the People's Court of Lianjiang City, Guangdong Province. As at the date of this announcement, no judgement has been handed down.

The Group has been in the course of seeking legal advice and will closely monitor the status of the aforesaid proceedings. Further announcement(s) will be made by the Company to keep its shareholders and potential investors informed of any significant development as and when appropriate.

The shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

CORPORATE GOVERNANCE

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 the Corporate Governance Code under Appendix C1 to the Listing Rules (the "**Code**"), save and except for the deviations from Code provisions B.2.3, B.2.4(b), C.2.1 and F.2.2 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 on the board of directors, his further appointment should be subject to a separate resolution to be approved by the shareholders of the Company.

All independent non-executive Directors of the Company have served more than nine years on the Board.

Mr. Chung Kam Kwong ("**Mr. Chung**") has been an independent non-executive Director 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 2023 annual general meeting of the Company held on 8 December 2023 (the "**2023 AGM**") and was re-elected by an ordinary resolution of the shareholders of the Company at the 2023 AGM. Mr. Chung has been serving as the chairman of the audit committee of the Company (the "**Audit Committee**") for more than 20 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 of the Company (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 2023 AGM to approve the re-appointment of Mr. Chung as an independent non-executive Director.

Mr. Lo Wai Ming has been an independent non-executive Director 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 2023 AGM and was re-elected by an ordinary resolution of the shareholders of the Company at the 2023 AGM. Mr. Lo Wai Ming has more than 40 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 2023 AGM to approve the re-appointment of Mr. Lo Wai Ming as an independent non-executive Director.

Mr. Lo Chao Ming ("**Mr. Lo**") has been an independent non-executive Director 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 2022 annual general meeting of the Company held on 5 December 2022 (the "**2022 AGM**") and was re-elected by an ordinary resolution of the shareholders of the Company at the 2022 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. Mr. Lo has offered himself for re-election and a separate resolution will be proposed for his re-election at the 2024 AGM.

Code provision B.2.4(b)

Under Code provision B.2.4(b), where all the independent non-executive directors of an issuer have served more than nine years on the board of directors, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting starting from the financial year commencing on or after 1 January 2023.

The Company and the Nomination Committee are in the process of identifying a new independent non-executive director taking into account the candidate's experience and the factors prescribed under Rule 3.13 of the Listing Rules, with a view to fulfilling the requirements under Code provision B.2.4(b) in due course. Further announcement(s) will be made in this regard as and when appropriate.

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 Lai Him, the Chairman of the Board and the Managing Director of the Company, attended the 2023 AGM by electronic facilities and Mr. Chau Chi Ho, the deputy Chairman of the Board and an executive Director of the Company, presided over the 2023 AGM.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

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 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 2024 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.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 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, 27 September 2024

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.