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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)

SUPPLEMENTAL ANNOUNCEMENT TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement in relation to placing of new shares under general mandate made by Solartech International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 3 December 2025 (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to supplement the following additional information in relation to the reasons for the Placing.

REASONS FOR THE PLACING

As disclosed in the annual report of the Group for the year ended 30 June 2025, the Group has a cash and bank balance of approximately HK\$109 million as at 30 June 2025. Despite the said balance, the Group faces significant cash outflows from its operating activities. In the financial year ended 30 June 2025, cash outflow from its operating activities reached approximately HK\$78 million. Faced with significant cash outflow from its operations, it is necessary for the Company to maintain sufficient reserves for ensuring stability and continuity in its core business operations.

* For identification purposes only

In addition, the Company has substantial short-term financial obligations, with total current liability of approximately HK\$261 million as at 30 June 2025. The majorities of it compose of a loan borrowed from a bank in the PRC (the “**Bank**”) (the “**Bank Loan**”). Pursuant to the terms and conditions of the relevant loan agreement, the Bank Loan is repayable on demand, with, among others, a financial covenant in the loan agreement that the Bank is entitled to demand early repayment of the outstanding amount of the Bank Loan in full if the Company’s monthly operating revenue drops below a certain threshold. In view of the Company’s recent operating performance, the Board considers that it is prudent for the Company to prepare for the realization for any potential risk of a demand for early repayment of the Bank Loan.

Prior to conducting the Placing, the Company has considered alternative fundraising method, including other equity fundraising options or debt financing. Rights issue has been considered by the Company, but was ultimately ruled out due to the persistently low trading volume of the Company’s shares in recent years which indicates limited market interest in the Company’s shares among existing shareholders. As such, the Company reasonably estimates that shareholder participation in a rights issue would be low. A rights issue with insufficient participation would fail to raise the required funds, while also incurring unnecessary administrative costs and longer execution time.

Debt financing has also been considered by the Company. In fact, the Company had actively explored other lending channels in the past period, including discussions with multiple financial institutions and potential lenders, but did not receive positive responses due to the challenging market environment and the Company’s recent operating performance.

In addition, the Company maintains a prudent financial management policy. The Company’s gearing ratio as at 30 June 2025 was 0.29 (30 June 2024: 0.33). The Company is committed to keeping this ratio within a reasonable range to avoid increasing financial leverage. By choosing equity-based Placing instead of debt financing to supplement cash reserves, the Company can avoid increasing total borrowings, thereby stabilizing the gearing ratio and maintaining a healthy financial structure.

The Company has been proactively seeking new investors/shareholders in the past period to optimize its shareholder base, enhance stock liquidity, and lay a solid foundation for long-term corporate development. However, due to the low liquidity of the stocks of the Company, no placing agent has been identified until the identification of the Placing Agent recently which is willing to participate in the Placing. The Board believes this is a valuable opportunity that should not be missed as the Placing not only provides supplementary cash reserves to support the Group’s future development, but also broaden the shareholder base of the Company.

The Board considers that the Placing Price is fair and reasonable. While the Placing Price of HK\$0.37 is lower than the 180-day average share price of HK\$0.447, it represents a discount of approximately 17% to the 180-day average, which is well within market norms and below the regulatory threshold permitted under the Listing Rules for placings under general mandates. Furthermore, the Placing Price of HK\$0.37 represents a premium of 8.82% over the closing price of HK\$0.34 on the Last Trading Date, which demonstrates the Company's efforts to align the Placing Price with the fair market value. The Board considers that such pricing approach balances the need to attract independent investors (by offering a reasonable market-based discount) and protect existing shareholders' interests.

In light of the above, the Board (including the independent non-executive directors of the Company) considers that the Placing (including the Placing Price) is fair and reasonable and in the interest of the Company and Shareholders as a whole.

The above information does not affect the information disclosed in the Announcement and save as disclosed in this announcement, all other information in the Announcement remains unchanged.

By order of the Board
Solartech International Holdings Limited
Chau Lai Him
Chairman and Managing Director

Hong Kong, 15 December 2025

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, Mr. Lo Chao Ming and Ms. Dou Biling.