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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)

2025/2026 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 2026 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 2026

		2026	2025
	<i>Notes</i>	HK\$’000	HK\$’000
Revenue	4	437,642	578,819
Cost of sales		(403,167)	(543,406)
Gross profit		34,475	35,413
Interest income		9,986	10,251
Other income and other gains, net		5,317	239
General and administrative expenses		(63,961)	(72,534)
Selling and distribution expenses		(5,433)	(7,641)
Finance costs	7	(9,105)	(13,966)
Change in fair value of derivative financial instruments, net		–	182
Change in fair value of investment properties, net	11	5,457	(28,511)
Change in fair value of financial assets at fair value through profit or loss (“ FVTPL ”), net		(1,220)	2,090
Expected credit loss recognised, net		(11,880)	(3,491)

* For identification purposes only

		2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
	<i>Notes</i>		
Write-off of other receivables		(393)	(5,870)
Reversal of impairment loss/(impairment loss) on intangible asset	13	105,839	(87,693)
Gain on disposal of a subsidiary	18	–	23,219
Share of results of joint ventures		15,107	(1,724)
Profit/(loss) before taxation	6	84,189	(150,036)
Income tax (expense)/credit	8	(1,364)	7,128
Profit/(loss) for the year		82,825	(142,908)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		1,876	(9,843)
Reclassification adjustment on exchange difference for foreign operation disposed of during the year	18	–	(31,666)
Share of other comprehensive income of joint ventures		3	(12)
Other comprehensive income for the year		1,879	(41,521)
Total comprehensive income for the year		84,704	(184,429)
Profit/(loss) attributable to:			
Owners of the Company		82,928	(142,306)
Non-controlling interests		(103)	(602)
		82,825	(142,908)
Total comprehensive income attributable to:			
Owners of the Company		84,981	(183,620)
Non-controlling interests		(277)	(809)
		84,704	(184,429)
Earnings/(loss) per share:			(Restated)
– Basic (<i>HK\$</i>)	10	0.632	(1.126)
– Diluted (<i>HK\$</i>)	10	0.625	(1.126)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

		2026	2025
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		15,844	19,832
Investment properties	11	309,653	281,822
Right-of-use assets	12	7,844	5,426
Intangible asset	13	414,007	308,171
Interests in associates	14	745	745
Interests in joint ventures	15	16,480	1,370
Financial assets at fair value through other comprehensive income ("FVTOCI")		2,309	–
Total non-current assets		766,882	617,366
Current assets			
Inventories		14,603	14,089
Debtors, other loans and receivables, deposits and prepayments	16	142,749	164,625
Bills receivable		353	46
Financial assets at FVTPL		4,670	5,890
Bank balances and cash		123,709	108,792
Total current assets		286,084	293,442
Current liabilities			
Creditors, other advances and accrued charges	17	119,633	89,923
Borrowings		182,016	170,300
Lease liabilities	12	1,121	687
Total current liabilities		302,770	260,910
Net current (liabilities)/assets		(16,686)	32,532
Total assets less current liabilities		750,196	649,898

		2026	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Lease liabilities	12	1,853	–
Other payables	17	3,097	2,938
Borrowings		10,565	8,105
Deferred tax liabilities		24,975	22,354
Total non-current liabilities		40,490	33,397
Total net assets		709,706	616,501
EQUITY			
Capital and reserves			
Share capital		28,493	23,745
Reserves		684,062	595,328
Equity attributable to owners of the Company		712,555	619,073
Non-controlling interests		(2,849)	(2,572)
Total equity		709,706	616,501

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	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 2024	23,745	1,828,432	612,360	(23,424)	4,878	99,901	233	(1,745,636)	800,489	(1,763)	798,726
Loss for the year	-	-	-	-	-	-	-	(142,306)	(142,306)	(602)	(142,908)
Exchange difference on translation of foreign operations	-	-	-	(9,636)	-	-	-	-	(9,636)	(207)	(9,843)
Reclassification adjustment on exchange difference for foreign operation disposed of during the year (Note 18)	-	-	-	(31,666)	-	-	-	-	(31,666)	-	(31,666)
Share of other comprehensive income of joint ventures	-	-	-	(12)	-	-	-	-	(12)	-	(12)
Total comprehensive income for the year	-	-	-	(41,314)	-	-	-	(142,306)	(183,620)	(809)	(184,429)
Disposal of a subsidiary	-	-	-	-	-	(56,759)	-	56,759	-	-	-
Equity-settled share-based payment	-	-	-	-	-	-	2,204	-	2,204	-	2,204
Release upon lapse of share options	-	-	-	-	-	-	(224)	224	-	-	-
At 30 June 2025	<u>23,745</u>	<u>1,828,432</u>	<u>612,360</u>	<u>(64,738)</u>	<u>4,878</u>	<u>43,142</u>	<u>2,213</u>	<u>(1,830,959)</u>	<u>619,073</u>	<u>(2,572)</u>	<u>616,501</u>
	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 2025	23,745	1,828,432	612,360	(64,738)	4,878	43,142	2,213	(1,830,959)	619,073	(2,572)	616,501
Profit for the year	-	-	-	-	-	-	-	82,928	82,928	(103)	82,825
Exchange difference on translation of foreign operations	-	-	-	2,050	-	-	-	-	2,050	(174)	1,876
Share of other comprehensive income of joint ventures	-	-	-	3	-	-	-	-	3	-	3
Total comprehensive income for the year	-	-	-	2,053	-	-	-	82,928	84,981	(277)	84,704
Release upon lapse of share options	-	-	-	-	-	-	(76)	76	-	-	-
Issue of new shares upon placing	4,748	4,036	-	-	-	-	-	-	8,784	-	8,784
Transaction costs on issue of new shares upon placing	-	(283)	-	-	-	-	-	-	(283)	-	(283)
At 30 June 2026	<u>28,493</u>	<u>1,832,185</u>	<u>612,360</u>	<u>(62,685)</u>	<u>4,878</u>	<u>43,142</u>	<u>2,137</u>	<u>(1,747,955)</u>	<u>712,555</u>	<u>(2,849)</u>	<u>709,706</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

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 HKFRS ACCOUNTING STANDARDS

(a) Adoption of new or amendments to HKFRS Accounting Standards – effective on 1 July 2025

The Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) has issued amendments to HKFRS Accounting Standards that are first effective for the current accounting year of the Group:

Amendments to HKAS 21	Lack of Exchangeability
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As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group’s presentation currency were, exchangeable, the amendments did not have any impact on the Group’s financial statements. The Group has not early applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period.

(b) New or amendments to HKFRS Accounting Standards that have been issued but are not yet effective and not early adopted

The following new or amendments to HKFRS Accounting Standards, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10, and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is currently assessing the effect of these new accounting standards and amendments.

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and interpretations) issued by the HKICPA, 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 assets at FVTPL, financial assets at FVTOCI and investment properties, which are measured at fair values at the end of the reporting period.

During the year ended 30 June 2026, 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 (i) the Group’s current liabilities exceeded its current assets by HK\$16,686,000 as at 30 June 2026; and (ii) the Group had borrowings of HK\$192,581,000 out of which HK\$182,016,000 is repayable within the next twelve months after 30 June 2026 while the Group’s cash and cash equivalents amounted to HK\$123,709,000 as at 30 June 2026. 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 2027 (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; streamlining manpower and hence controlling staff costs; and tightening other general and administrative expenses;

the Group had loan receivables with net carrying amount of HK\$92,145,000 as at 30 June 2026 which will be matured and receivable within the next twelve months after 30 June 2026. The renewal of loan arrangements remains at the sole discretion of the Group, subject to its internal approval process. In assessing the renewal of loan arrangements, the directors of the Company take into consideration various factors, including the creditworthiness of the borrowers, the Groups’ liquidity position, and its projected cash flow requirements;

- ii. the Group has been negotiating with the financial institutions in the People’s Republic of China (the “**PRC**”) for renewing the 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 of the Company are of the opinion that the Group will successfully renew the existing 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.

4. REVENUE

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue from contracts with customers:		
Sales of goods	430,596	564,028
Revenue from other sources:		
Rental income	7,046	14,791
	437,642	578,819

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 2026 and 2025 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 on disposal of a subsidiary, change in fair value of derivative financial instruments, change in fair value of financial assets at FVTPL, reversal of impairment loss/(impairment loss) on intangible asset of mining right, write-off of other receivables, write back of other payable, share of results of joint ventures as well as 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 2026

	Cables and wires HK\$'000	Copper rods HK\$'000	Investment properties HK\$'000	Total HK\$'000
Revenue from external customers	140,133	290,463	7,046	437,642
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Reportable segment revenue	140,133	290,463	7,046	437,642
Reportable segment (loss)/profit before taxation	<u>(37,131)</u>	<u>3,641</u>	<u>10,398</u>	<u>(23,092)</u>
Finance costs				
– allocated	(8,074)	–	(799)	(8,873)
– unallocated				<u>(232)</u>
				<u>(9,105)</u>
Write back of other payable				
– unallocated				1,270
Change in fair value of investment properties	–	–	5,457	5,457
Gain on disposal of property, plant and equipment	55	–	–	55
Expected credit loss recognised	(11,882)	–	2	(11,880)
Write-off of other receivables			(393)	(393)
Depreciation of right-of-use assets				
– allocated	–	–	(182)	(182)
– unallocated				<u>(1,086)</u>
				<u>(1,268)</u>
Depreciation of property, plant and equipment				
– allocated	(3,340)	–	–	(3,340)
– unallocated				<u>(115)</u>
				<u>(3,455)</u>
Research and development expenses	(12,721)	–	–	(12,721)
Income tax expense	<u>–</u>	<u>–</u>	<u>(1,364)</u>	<u>(1,364)</u>

For the year ended 30 June 2025

	Cables and wires <i>HK\$'000</i>	Copper rods <i>HK\$'000</i>	Investment properties <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	187,092	376,936	14,791	578,819
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Reportable segment revenue	187,092	376,936	14,791	578,819
Reportable segment loss before taxation	<u>(37,406)</u>	<u>2,578</u>	<u>(23,118)</u>	<u>(57,946)</u>
Finance costs				
– allocated	(6,854)	–	(7,022)	(13,876)
– unallocated				<u>(90)</u>
				<u>(13,966)</u>
Change in fair value of investment properties	–	–	(28,511)	(28,511)
Loss on disposal of property, plant and equipment	(170)	–	–	(170)
Expected credit loss recognised	(3,491)	–	–	(3,491)
Write-off of other receivables				
– allocated	–	–	(421)	(421)
– unallocated				<u>(5,449)</u>
				<u>(5,870)</u>
Depreciation of right-of-use assets				
– allocated	–	–	(176)	(176)
– unallocated				<u>(1,457)</u>
				<u>(1,633)</u>
Depreciation of property, plant and equipment				
– allocated	(3,383)	–	(25)	(3,408)
– unallocated				<u>(146)</u>
				<u>(3,554)</u>
Research and development expenses	(16,851)	–	–	(16,851)
Income tax credit	<u>–</u>	<u>–</u>	<u>7,128</u>	<u>7,128</u>

As at 30 June 2026

	Cables and wires HK\$'000	Copper rods HK\$'000	Investment properties HK\$'000	Total HK\$'000
Reportable segment assets	275,837	19,052	311,996	606,885
Additions to non-current assets	489	–	6,701	7,190
Reportable segment liabilities	266,524	22	26,001	292,547

As at 30 June 2025

	Cables and wires HK\$'000	Copper rods HK\$'000	Investment properties HK\$'000	Total HK\$'000
Reportable segment assets	291,764	12,640	284,937	589,341
Additions to non-current assets	7,879	–	10,846	18,725
Reportable segment liabilities	236,327	548	25,830	262,705

Note: The total amount of reportable segment liabilities included deferred tax liabilities.

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

	2026 HK\$'000	2025 HK\$'000
For the year ended 30 June		
Profit/(loss) before taxation		
Reportable segment loss	(23,092)	(57,946)
Gain on disposal of a subsidiary	–	23,219
Change in fair value of derivative financial instruments	–	182
Write back of other payable	1,270	–
Reversal of impairment loss/(impairment loss) on intangible asset	105,839	(87,693)
Write-off of other receivables	–	(5,449)
Share of results of joint ventures	15,107	(1,724)
Unallocated finance costs	(232)	(90)
Unallocated corporate expenses	(14,703)	(20,535)
Consolidated profit/(loss) before taxation	84,189	(150,036)

	2026 HK\$'000	2025 HK\$'000
At 30 June		
Assets		
Reportable segment assets	606,885	589,341
Intangible asset	414,007	308,171
Interests in associates	745	745
Interests in joint ventures	16,480	1,370
Unallocated bank balances and cash	2,597	2,562
Unallocated corporate assets	12,252	8,619
	<u>1,052,966</u>	<u>910,808</u>
Consolidated total assets	<u>1,052,966</u>	<u>910,808</u>
Liabilities		
Reportable segment liabilities	292,547	262,705
Deferred tax liabilities	24,975	22,354
Unallocated corporate liabilities	25,738	9,248
	<u>343,260</u>	<u>294,307</u>
Consolidated total liabilities	<u>343,260</u>	<u>294,307</u>

(c) Geographical information

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

The following table provides an analysis of the Group's revenue from external customers and non-current assets.

	Revenue from external customers		Non-current assets	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
The PRC	345,508	459,079	329,901	305,563
Americas	18,943	27,111	–	–
Europe	40,680	48,338	–	–
Hong Kong	8,361	13,555	3,440	1,517
Mongolia	–	–	430,487	309,541
Others	24,150	30,736	3,054	745
	<u>437,642</u>	<u>578,819</u>	<u>766,882</u>	<u>617,366</u>

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 2026

	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	140,133	290,463	–	430,596
Transferred over time	–	–	–	–
	140,133	290,463	–	430,596
Revenue from other sources	–	–	7,046	7,046
	140,133	290,463	7,046	437,642

For the year ended 30 June 2025

	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	187,092	376,936	–	564,028
Transferred over time	–	–	–	–
	187,092	376,936	–	564,028
Revenue from other sources	–	–	14,791	14,791
	187,092	376,936	14,791	578,819

(e) Information about major customers

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

	2026 HK\$'000	2025 HK\$'000
Copper rods segment		
Customer A	52,441	70,270
Customer B	51,973	110,358
Customer C	44,396	#

less than 10% of the Group's total revenue.

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting) the followings:

	2026 HK\$'000	2025 HK\$'000
Auditor's remuneration	1,940	2,410
Depreciation of property, plant and equipment	3,455	3,554
Depreciation of right-of-use assets	1,268	1,633
Carrying amount of inventories sold	405,702	542,288
(Reversal of write-down)/write-down of inventories	(2,535)	1,118
Cost of inventories recognised as expenses (<i>Note</i>)	403,167	543,406
(Gain)/loss on disposal of property, plant and equipment	(55)	170
Write back of other payable	(1,270)	–
Exchange difference, net	722	(386)
Loss on write-off of property, plant and equipment	2,190	–
Research and development expenses	12,721	16,851
Staff costs (including directors' remuneration)	34,711	37,055

Note: Included in cost of inventories recognised as expenses is HK\$9,587,000 and HK\$1,963,000 (2025: HK\$12,695,000 and HK\$2,177,000) 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

	2026 HK\$'000	2025 HK\$'000
Interest on borrowings	8,998	11,918
Interest on lease liabilities (<i>Note 12</i>)	56	90
Interest on overdue trade and other payables	4	1,880
Others	47	78
	9,105	13,966

8. INCOME TAX EXPENSE/(CREDIT)

	2026 HK\$'000	2025 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	1,364	(7,128)
	<u>1,364</u>	<u>(7,128)</u>

For the years ended 30 June 2026 and 2025, 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, except that one of the PRC subsidiaries was qualified as a High and New Technology Enterprise in December 2022 and was entitled to enjoy a preferential income tax rate of 15% for a period of 3 years and was further extended to another 3 years during the year ended 30 June 2026.

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 2026 and 2025.

10. EARNINGS/(LOSS) PER SHARE

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

	2026 HK\$'000	2025 HK\$'000
Earnings/(loss)		
Profit/(loss) for the year attributable to the owners of the Company	<u>82,928</u>	<u>(142,306)</u>

	2026	2025 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	131,149,466	126,348,866
Effect of dilutive potential ordinary shares:		
– Share options	1,443,427	–
Weighted average number of ordinary shares for the purpose of the diluted earnings per share	132,592,893	126,348,866

The computation of diluted loss per share during the year ended 30 June 2025 does not assume the exercise of the Company's outstanding share options as they are anti-dilutive. Therefore, the diluted loss per share was the same as the basic loss per share for the year ended 30 June 2025.

The comparative figures for the basic loss per share for the year ended 30 June 2025 are restated to take into account the effect of the bonus element embedded in the placements of new shares during the year retrospectively as if they had taken place since the beginning of the respective comparative period.

11. INVESTMENT PROPERTIES

	Completed investment properties <i>HK\$'000</i>	Investment properties under construction <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2024	209,256	377,113	586,369
Additions	9,715	1,131	10,846
Transfer	293,934	(293,934)	–
Change in fair value	(23,116)	(5,395)	(28,511)
Disposal of subsidiary (<i>Note 18</i>)	(298,248)	–	(298,248)
Exchange realignment	8,266	3,100	11,366
At 30 June 2025 and 1 July 2025	199,807	82,015	281,822
Additions	6,701	–	6,701
Change in fair value	4,106	1,351	5,457
Exchange realignment	11,186	4,487	15,673
At 30 June 2026	221,800	87,853	309,653

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 <i>HK\$'000</i>	Buildings <i>HK\$'000</i>	Motor vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 July 2024	4,898	1,655	412	6,965
Depreciation	(176)	(1,045)	(412)	(1,633)
Exchange realignment	94	—	—	94
As at 30 June 2025 and 1 July 2025	4,816	610	—	5,426
Addition	—	3,431	—	3,431
Depreciation	(182)	(1,086)	—	(1,268)
Exchange realignment	255	—	—	255
As at 30 June 2026	4,889	2,955	—	7,844

As at 30 June 2026, the Group pledged right-of-use assets with carrying amount of HK\$4,889,000 (2025: HK\$4,816,000) to secure the borrowings of the Group.

(ii) Lease liabilities

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
At 1 July	687	1,797
Modification	3,431	—
Interest expenses	56	90
Lease payments	(1,200)	(1,200)
At 30 June	2,974	687
Classified under:		
Non-current portion	1,853	—
Current portion	1,121	687
	2,974	687

At 30 June 2026 and 2025, the undiscounted lease payments payable by the Group in future period under non-cancellable operating leases are as follows:

	2026		
	Future lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
Within one year	1,200	79	1,121
After one year but within two years	1,200	41	1,159
Later than two years but not later than five years	700	6	694
	3,100	126	2,974
	2025		
	Future lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
Within one year	700	13	687

(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 four years (2025: one year to five years). As at 30 June 2026, the Group had contracted with tenants for the following future lease payments receivable:

	2026 HK\$'000	2025 HK\$'000
Within one year	10,849	10,292
In the second year	10,849	10,292
In the third year	3,197	10,292
In the fourth year	833	3,032
In the fifth year	–	790
	25,728	34,698

13. INTANGIBLE ASSET

	Mining right <i>HK\$'000</i>
COST:	
At 1 July 2024	1,167,704
Exchange realignment	<u>15</u>
At 30 June 2025 and 1 July 2025	1,167,719
Exchange realignment	<u>(3)</u>
At 30 June 2026	<u>1,167,716</u>
ACCUMULATED AMORTISATION AND IMPAIRMENT:	
At 1 July 2024	771,855
Impairment	<u>87,693</u>
At 30 June 2025 and 1 July 2025	859,548
Reversal of impairment	<u>(105,839)</u>
At 30 June 2026	<u>753,709</u>
NET CARRYING AMOUNT:	
At 30 June 2026	<u><u>414,007</u></u>
At 30 June 2025	<u><u>308,171</u></u>

The mining right represents the right to conduct mining activities in the location of Nergui, Delgerkhangaï 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 2026, the directors of the Company have engaged Peak Vision Appraisals Limited ("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. There has been no change from the valuation technique used in prior year.

14. INTERESTS IN ASSOCIATES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Share of net assets	<u>745</u>	<u>745</u>

Particulars of the Group's associates as at 30 June 2026 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*

Collectively known as the "Idea Group"

* Deregistered on 3 July 2026 after the financial year ended 30 June 2026

15. INTERESTS IN JOINT VENTURES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Share of net assets	<u>16,480</u>	<u>1,370</u>

Particulars of the Group's joint ventures as at 30 June 2026 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

	2026 HK\$'000	2025 HK\$'000
Trade debtors, net	37,990	46,076
Loan receivables, net	92,145	104,042
Prepayments	4,768	6,052
Deposits and other receivables, net	2,496	2,983
VAT recoverable	5,350	5,472
	<u>142,749</u>	<u>164,625</u>

- (i) The Group's sales are mainly made on (i) cash on delivery, and (ii) credit terms of 30 to 120 days (2025: 30 to 120 days).
- (ii) The aging analysis of net trade debtors, based on invoice date, as of the end of the reporting period is as follows:

	2026 HK\$'000	2025 HK\$'000
Within 30 days	18,616	16,063
31 – 60 days	9,939	12,838
61 – 90 days	5,958	9,528
Over 90 days	3,477	7,647
	<u>37,990</u>	<u>46,076</u>

17. CREDITORS, OTHER ADVANCES AND ACCRUED CHARGES

	2026 HK\$'000	2025 HK\$'000
Trade creditors	78,158	56,590
Contract liabilities (<i>Note (i)</i>)	115	1,281
Construction payables	8,716	8,268
Rental deposits received	2,887	4,655
Other tax payables	710	1,015
Accrued staff costs	4,287	4,859
Other payables and accruals	24,618	14,057
Rental received in advance	3,239	2,136
	<u>122,730</u>	<u>92,861</u>
Less: Amount shown under non-current liabilities		
Other payables	<u>(3,097)</u>	<u>(2,938)</u>
Amount shown under current liabilities	<u>119,633</u>	<u>89,923</u>

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

	2026 HK\$'000	2025 HK\$'000
0 – 30 days	41,588	29,261
31 – 60 days	7,745	9,463
61 – 90 days	8,693	2,823
Over 90 days	20,132	15,043
	78,158	56,590

Note (i):

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:

	2026 HK\$'000	2025 HK\$'000
At the beginning of year	1,281	9,935
Cash received	5,568	128
Recognised as revenue	(6,737)	(8,826)
Exchange realignment	3	44
At the end of year	115	1,281

HK\$1,169,000 of the contract liabilities as at 1 July 2025 were recognised as revenue for the year ended 30 June 2026 from performance obligations satisfied during the year.

The contract liabilities as at 30 June 2026 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 20 November 2024, the Group, through a wholly-owned subsidiary, entered into an agreement with an independent purchaser to dispose of the entire issued share capital in a subsidiary, Dongguan Hua Yi Brass Products Company Limited (“**DHY**”), at the consideration of RMB70,000,000 (equivalent to HK\$76,670,000) in cash. DHY was principally engaged in property holding in the PRC. On 6 March 2025, the disposal was completed. Details of the assets and liabilities of DHY at the date of disposal were as follows:

	<i>HK\$'000</i>
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	–
Investment properties	298,248
Other receivables, deposits, and prepayments	13,196
Bank balances and cash	32
Other payables and accruals	(89,119)
Borrowings	(112,815)
Deferred tax liabilities	(24,425)
Net assets disposed of	85,117
Cumulative exchange differences in respect of the net assets of	
DHY reclassified from equity to profit or loss on loss of control of DHY	(31,666)
Gain on disposal	23,219
Total consideration	76,670
Net cash inflow arising on disposal:	
Cash consideration (<i>Note</i>)	76,670
Less: Bank balances and cash disposed of	(32)
Net cash inflows	76,638

Note: During the year ended 30 June 2025, the consideration of HK\$76,670,000 has been received by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board announces that for the year ended 30 June 2026 (the “**year under review**”), the total turnover of the Group was approximately HK\$437,642,000, representing a decrease of 24.4% as compared to approximately HK\$578,819,000 recorded for the corresponding period last year. During the year under review, the profit attributable to owners of the Company was approximately HK\$82,928,000 as compared to the loss attributable to owners of the Company of approximately HK\$142,306,000 for the corresponding period last year. Basic earning per share for the year under review was approximately HK\$0.632 (Basic loss per share for 2024/2025: HK\$1.126 restated).

BUSINESS REVIEW

The Group’s turnover for the year under review was approximately HK\$437,642,000, representing a decrease of 24.4% as compared to approximately HK\$578,819,000 for the same period of last year. By business segments, the turnover of the cables and wires business was approximately HK\$140,133,000, representing a decrease of 25.1% as compared to approximately HK\$187,092,000 for the same period of last year and accounting for 32.0% of the Group’s total turnover. Turnover of the copper rod business was approximately HK\$290,463,000, representing a decrease of 22.9% as compared to approximately HK\$376,936,000 for the same period of last year and accounting for 66.4% of the Group’s total turnover. Turnover of the leasing business was approximately HK\$7,046,000, representing a decrease of 52.4% as compared to approximately HK\$14,791,000 for the same period of last year and accounting for 1.6% of the Group’s total turnover.

By geographical market segments, turnover from the business in the Americas decreased by 30.1% to approximately HK\$18,943,000 from approximately HK\$27,111,000 for the same period of last year, accounting for 4.3% of the Group’s total turnover. Turnover from the business in Mainland China and Hong Kong decreased by 25.1% to approximately HK\$353,869,000 from approximately HK\$472,634,000 for the same period of last year, accounting for 80.9% of the Group’s total turnover. Turnover from the business in Europe decreased by 15.8% to approximately HK\$40,680,000 from approximately HK\$48,338,000 for the same period of last year, accounting for 9.3% of the Group’s total turnover. Turnover from the business in other regions decreased by 21.4% to approximately HK\$24,150,000 from approximately HK\$30,736,000 for the same period of last year, accounting for 5.5% of the Group’s total turnover.

Cables and Wires

The Group's cables and wires business recorded a turnover of approximately HK\$140,133,000 for the year under review, representing a decrease of 25.1% as compared to approximately HK\$187,092,000 for the same period of last year. The major customers are primarily manufacturers of white goods appliances. During the year under review, the Chinese economy maintained overall stability despite multiple internal and external pressures. However, the property market remained in deep adjustment phase, and the recovery momentum of residents' consumption confidence and domestic demand was relatively weak, which continued to weigh on the demand of the end market for white goods market. Affected by the sluggish industry sentiment and intensifying market competition, order demand from downstream manufacturers decreased, resulting in a year-on-year decline in the turnover of the Group's cables and wires business during the year under review.

Copper Rod Business

The 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\$290,463,000, representing a decrease of 22.9% as compared to approximately HK\$376,936,000 for the same period of last year. International copper prices rose significantly during the year under review, with the London Metal Exchange (LME) 3-month copper price increasing from approximately US\$9,845 per tonne at the beginning of the year under review to approximately US\$13,366 per tonne at the end of the year under review. On the macroeconomic front, the Purchasing Managers' Index (PMI) for China's manufacturing sector fluctuated within the range of 49.0% to 50.4% for most of the time during the year under review, and the foundation for a recovery of market demand remained to be consolidated, reflecting the continued suppression on industrial production by insufficient domestic demand and order volatility.

As key raw materials for downstream industries such as cables and wires, power equipment and home appliances, copper rods were subject to the dual impact of fluctuations in manufacturing activities and the sharp surge in copper prices, resulting in a prevailing wait-and-see sentiment in the market. Downstream customers became more prudent in their procurement, reducing or deferring orders, which further dampened the overall market demand for copper rods. The Group will flexibly adjust its market strategies for the copper rod business in response to evolving copper price trends and changes in the operating environment.

Rental Income

The Group's investment properties mainly comprise industrial properties in the PRC. During the year under review, rental income was approximately HK\$7,046,000, representing a decrease of approximately 52.4% as compared with approximately HK\$14,791,000 for the same period of last year. Such decrease was attributable to the disposal of the Group's leased factory complex in Dongguan together with Dongguan Hua Yi Brass Products Co., Ltd.* (東莞華藝銅業有限公司), the then indirect wholly-owned subsidiary of the Company, on 6 March 2025. No rental income from such property was recorded during the year under review.

Mining

The Group's mineral resources are concentrated in Dundgobi Aimag and Bayan-Ulgii Aimag, Mongolia, primarily involving the development of copper-related resources. During the year under review, no production or operating activities were commenced for these mineral projects, and no revenue from operations was recorded.

International copper prices showed a strong upward trend during the year under review, with the London Metal Exchange (LME) 3-month copper price rising significantly from approximately US\$9,845 per tonne at the beginning of the year to approximately US\$13,366 per tonne at the end of the year, presenting certain market opportunities to the copper mining industry. The Group continued to adopt a prudent and steady operating strategy for its mining projects in light of the dual constraints of local policies and infrastructure in Mongolia. During the year, the Group primarily focused on maintaining the compliance of the projects and completing the necessary asset maintenance work, with no large-scale capital investment undertaken for the time being. As such, the mineral resources business remains unlikely to deliver substantial contribution to the Group's results in the short term.

PROSPECTS

Looking ahead, the macroeconomic environment and industry cycle will remain full of challenges. The Group will continue to adopt a prudent and pragmatic operating strategy and respond flexibly to market changes, so as to promote the long-term development of its business.

The Group will focus on and consolidate its traditional strengths in power cords and home appliance wires, while actively expanding into frontier areas such as wires and cables for electric vehicles, robots and new energy applications, thereby driving product upgrading and technological breakthroughs. In addition, amid global macroeconomic challenges and rising cost pressures, the Group will optimise its manufacturing footprint. Following a prudent assessment, the Group established a joint venture in Jiangxi and plans to transfer certain less cost-effective production processes or related orders from its Dongguan facility to the Jiangxi joint venture factory, thereby maximising resource and profit efficiency, while leveraging the new production base to expand its customer base in Central China. The factory is currently in the preliminary preparation stage and will commence production upon completion. This initiative aims to take advantage of Jiangxi's relatively low operating cost structure and preferential industrial policies, further optimising resource allocation, reducing overall production costs, and thereby enhancing the overall market competitiveness and risk resilience of the Group's products.

Given the persistently high copper prices, the copper rod trading business requires substantial working capital, and the operating risks arising from price fluctuations have continued to increase, rendering the risk-return profile of the business less attractive. The management plans to gradually scale down the copper rod trading business and refocus on the cables and wires business.

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, has been suspended since 2020. As the property market remains in the midst of a deep adjustment and downstream demand for marble products remains subdued, resuming the project in the short term would offer limited economic benefits. The Board and management are prudently reviewing the future strategy for the assets of Zhou's Marble, and will not rule out the possibility of cooperating with potential investors or disposing of these assets.

Amid a severe operating environment marked by fluctuating demand from downstream industries such as home appliances and power equipment, as well as high volatility in international copper prices, corporate procurement and production strategies have been constrained. The Group will further strengthen its technical team and increase investment in independent research and development to enhance its new product development capabilities. It will also implement lean management to improve operational efficiency and reduce resource waste, thereby addressing the risks associated with raw material price fluctuations and laying a solid foundation for the sustainable development of its business.

FINAL DIVIDEND

The Board did not recommend to pay any final dividend for the year ended 30 June 2026 (30 June 2025: Nil).

ANNUAL GENERAL MEETING

The 2026 Annual General Meeting of the Company (the "**2026 AGM**") will be held on Monday, 7 December 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the qualification as shareholders of the Company to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Wednesday, 2 December 2026 to Monday, 7 December 2026, 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 2026 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 Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 1 December 2026. Shareholders whose names appear on the register of members of the Company on Monday, 7 December 2026, the record date, will be entitled to attend and vote at the 2026 AGM.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had approximately 270 employees in Hong Kong, the PRC and overseas (30 June 2025: 350). 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, the 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, the Group and each employee of the Group in Hong Kong 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 expensed 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 2026 and 30 June 2025, 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 2026, the Group implemented a prudent financial management policy. As at 30 June 2026, the Group had cash and bank balances amounting to approximately HK\$124 million (30 June 2025: HK\$109 million) and the value of net current liabilities was approximately HK\$17 million (net current assets at 30 June 2025: HK\$33 million). The Group's gearing ratio as at 30 June 2026 was 0.27 (30 June 2025: 0.29), being a ratio of total borrowings of approximately HK\$193 million (30 June 2025: HK\$178 million) to shareholders' funds of approximately HK\$713 million (30 June 2025: HK\$619 million).

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

The Group continues to derive its working capital from net cash generated from operating activities, additional bank borrowings, capital exercises and/or the 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 requirements 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 2026, the Group had pledged property, plant and equipment, investment properties and right-of-use assets amounting to approximately HK\$2,961,000 (30 June 2025: HK\$4,778,000), approximately HK\$294,949,000 (30 June 2025: HK\$281,822,000) and approximately HK\$4,889,000 (30 June 2025: HK\$4,816,000) respectively to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2026 and 30 June 2025, 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 did not enter into copper forward contracts ("**Derivative Financial Instruments**") to manage copper price risks. The gain from the Derivative Financial Instruments for the year under review was HK\$Nil (2024/2025: net gain of HK\$182,000).

CAPITAL STRUCTURE

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

On 3 December 2025 (the "**Last Trading Day**"), the Company and Aristo Securities Limited ("**Aristo**" or the "**Placing Agent**"), as the placing agent, entered into a placing agreement (the "**Placing Agreement**") pursuant to which the Placing Agent conditionally agreed to procure the placing of a maximum of 23,740,000 new ordinary shares of HK\$0.2 each (the "**Shares**") in the share capital of the Company (the "**Placing Shares**") to not less than six placees (the "**Placees**", who are independent institutional, professional, or individuals and/or corporate investors) at the price of HK\$0.37 per Placing Share (the "**Placing**").

Pursuant to the general mandate (the “**General Mandate**”) granted to the Directors by a resolution of the shareholders passed at the annual general meeting of the Company held on 6 December 2024 (the “**2024 AGM**”), the Directors were authorised to allot and issue up to 23,745,323 Shares.

Under the General Mandate and the Placing Agreement, the Directors agreed to allot and issue a maximum of 23,740,000 Placing Shares. The Placing was conditional upon, among other things, the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares.

Reasons for the Placing

As disclosed in the announcements of the Company dated 3 and 15 December 2025, in view of the then market conditions, the Directors considered that the Placing represented an opportunity for the Group to raise additional funds to further strengthen its capital base and financial position. This included enhancing its ability to meet and settle its expenses and any future obligations, and supporting the Group’s continuous development and business growth as well as daily operating expenses.

As disclosed in the annual report of the Group for the year ended 30 June 2025, the Group had a cash and bank balance of approximately HK\$109 million as at 30 June 2025. Despite the said balance, the Group faced 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 such significant cash outflow from its operations, it was necessary for the Company to maintain sufficient reserves for ensuring stability and continuity of its core business operations.

In addition, the Company had substantial short-term financial obligations, with total current liability of approximately HK\$261 million as at 30 June 2025. The majority of these liabilities comprised 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 was repayable on demand, with, among others, a financial covenant in the loan agreement that the Bank was entitled to demand early repayment of the outstanding amount of the Bank Loan in full if the Company’s monthly operating revenue dropped below a certain threshold. In view of the Company’s then operating performance, the Board considered that it was prudent for the Company to prepare for the mitigation of any potential risk of a demand for early repayment of the Bank Loan.

Prior to conducting the Placing, the Company had considered alternative fundraising methods, including other equity fundraising options and debt financing. A rights issue was considered by the Company, but was ultimately ruled out due to the persistently low trading volume of the Shares in recent years which indicated limited market interest in the Shares among existing shareholders. As such, the Company reasonably estimated 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 was also considered by the Company. In fact, the Company had actively explored other lending channels in the preceding 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 then operating performance.

In addition, the Company maintained 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 was committed to keeping this ratio within a reasonable range to avoid increasing financial leverage. By choosing an equity-based Placing instead of debt financing to supplement cash reserves, the Company could avoid increasing total borrowings, thereby stabilising the gearing ratio and maintaining a healthy financial structure.

The Company had been proactively seeking new investors and shareholders in the preceding period to optimise its shareholder base, enhance stock liquidity, and lay a solid foundation for long-term corporate development. However, due to the low liquidity of the Shares, no placing agent had been identified until the engagement of the Placing Agent, which was willing to participate in the Placing. The Board believed that this represented a valuable opportunity that should not have been missed, as the Placing not only provided supplementary cash reserves to support the Group's future development, but also broadened the shareholder base of the Company.

Placing Price

The price of HK\$0.37 per Placing Share (the "**Placing Price**") represented:

- (a) a premium of approximately 8.82% over the closing price of HK\$0.34 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the Last Trading Day, being the date of the Placing Agreement; and
- (b) a discount of approximately 11.27% to the average closing price of approximately HK\$0.417 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent, with reference to the prevailing market price of the Shares, market demand for the Placing Shares and the general market conditions.

The Board considered that the Placing Price was fair and reasonable. While the Placing Price of HK\$0.37 was lower than the 180-day average Share price of HK\$0.447 up to and including the Last Trading Day, it represented a discount of approximately 17% to such 180-day average, which was well within market norms and below the regulatory threshold permitted under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) for placings under general mandates. Furthermore, the Placing Price of HK\$0.37 represented a premium of 8.82% over the closing price of HK\$0.34 on the Last Trading Day, which demonstrated the Company’s efforts to align the Placing Price with the fair market value. The Board considered that such a pricing approach balanced the need to attract independent investors (by offering a reasonable market-based discount) and protected existing shareholders’ interests.

The Board (including the independent non-executive Directors) considered that the Placing (including the Placing Price) was fair and reasonable and in the interest of the Company and Shareholders as a whole.

Completion of the Placing

The Placing was completed on 22 December 2025 in accordance with the terms and conditions of the Placing Agreement.

The Placing Agent successfully placed 23,740,000 Placing Shares (with a nominal value of HK\$4,748,000) at the Placing Price of HK\$0.37 per Placing Share, representing approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately after completion of the Placing, to not less than six Places at the Placing Price. Under the Placing Agreement, the Placing Agent received a placing commission of 2.0% of the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent. The Placing Shares rank pari passu in all respects with the existing Shares in issue, including the rights to receive all dividends and distributions which may be declared, made or paid in respect of the Shares, the date for which shall fall on or after the closing date, which is within two business days after the fulfilment of the conditions set out in the Placing Agreement.

The table below sets out the changes to the shareholding structure of the Company (i) immediately before completion of the Placing; and (ii) immediately after completion of the Placing and as at the Completion Date:

Name of Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing and as at the Completion Date	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Directors:				
Chau Chi Ho	1,980,000	1.67	1,980,000	1.39
Lo Wai Ming	20,000	0.02	20,000	0.01
Lo Chao Ming	15,000	0.01	15,000	0.01
Public Shareholders:				
Placees	–	–	23,740,000	16.66
Other Shareholders	116,711,617	98.30	116,711,617	81.93
Total	118,726,617	100.00	142,466,617	100.00

Note: Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The maximum aggregate gross proceeds from the Placing are HK\$8,783,800 and the net proceeds from the Placing (after deducting all applicable costs and expenses, including the placing commission and levies) are approximately HK\$8,501,000, representing a net price per Placing Share of approximately HK\$0.358. On such basis, the maximum net price raised per Placing Share upon completion of the Placing is approximately HK\$0.358.

As disclosed in the announcement of the Company dated 3 December 2025, the Company intended to apply the net proceeds from the Placing for the following purposes: (i) as to approximately HK\$5,000,000 for the repair and maintenance expenses of the Group's investment properties, and (ii) the remaining balance for general working capital of the Group.

The utilisation of the net proceeds from the Placing as at 30 June 2026 is summarised as follows:

Intended use of net proceeds from the Placing	Actual use of net proceeds from the Placing
– Approximately HK\$5,000,000 for the repair and maintenance expenses of the Group's investment properties and approximately HK\$3,501,000 for general working capital of the Group	As at 30 June 2026, – approximately HK\$5,000,000 for the repair and maintenance expenses of the Group's investment properties; and – approximately HK\$3,501,000 for material purchases and the expenses of the PRC operations of the Group.

As at 30 June 2026, the net proceeds have been fully utilised.

Details of the Placing were set out in the announcements of the Company dated 3, 15 and 22 December 2025 respectively.

Save as disclosed above, the Company did not have any other 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 2026. As at 30 June 2026 and the date of this announcement, the Company did not hold any treasury shares.

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

As disclosed in the announcements of the Company dated 29 September 2023, 28 February 2024, 27 September 2024, 27 February 2025, 29 September 2025 and 26 February 2026 respectively, the construction works for the land development project of Zhou's Marble, have been suspended since 2020 in light of the unfavorable trading conditions in 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 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 remanded the case to the People's Court of Lianjiang City, Guangdong Province for retrial. The retrial was heard on 5 July 2024 and 28 July 2025 respectively. In the civil judgment dated 12 August 2025, the People's Court of Lianjiang City, Guangdong Province ruled in favour of Zhou's Marble, discharging it from the Plaintiff's claims. The parties disagreed and filed an appeal to the Intermediate People's Court of Zhanjiang City, Guangdong Province. The appeal was docketed on 26 November 2025, and was subsequently tried. On 31 December 2025, the Intermediate People's Court of Zhanjiang City, Guangdong Province dismissed the appeal and upheld the original judgment of the retrial in favour of Zhou's Marble. As at the date of this announcement, Zhou's Marble has not received any notice or related materials from the People's Court or any parties to the proceedings in respect of any application for retrial filed against the above judgment.

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, C.2.1 and F.1.3 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 on the board of directors, his further appointment should be subject to a separate resolution to be approved by the shareholders of the Company.

Messrs. Chung Kam Kwong, Lo Wai Ming and Lo Chao Ming, the 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 84 of the Bye-laws of the Company (the “**Bye-laws**”), Mr. Chung retired from office by rotation at the 2025 AGM and was re-elected by an ordinary resolution of the shareholders of the Company at the 2025 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 2025 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 84 of the Bye-laws, Mr. Lo Wai Ming retired from office by rotation at the 2025 AGM and was re-elected by an ordinary resolution of the shareholders of the Company at the 2025 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 2025 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 84 of the Bye-laws, Mr. Lo retired from office by rotation at the 2024 AGM and was re-elected by an ordinary resolution of the shareholders of the Company at the 2024 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 2026 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.1.3

Under Code provision F.1.3, 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 2025 AGM by electronic means and Mr. Chau Chi Ho, the deputy Chairman of the Board and an executive Director of the Company, presided over the 2025 AGM.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Audit Committee comprises Mr. Chung Kam Kwong, Mr. Lo Wai Ming, Mr. Lo Chao Ming and Ms. Dou Biling, all of whom are the 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 2026 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, 29 September 2026

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.