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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 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the “**Directors**” or the “**Board**”) of Solartech International Holdings Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2023, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Notes	For the six months ended	
		31 December 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Unaudited)
Turnover	3(a)	567,572	194,552
Cost of sales		(549,138)	(187,302)
Gross profit		18,434	7,250
Interest income		7,057	6,647
Other income and other gains, net		4,159	3,709
General and administrative expenses		(45,123)	(30,837)
Selling and distribution expenses		(3,817)	(3,533)
Change in fair value of financial assets at fair value through profit or loss	14	(270)	(659)
Change in fair value of derivative financial instruments	15	83	132
Change in fair value of investment properties	10	(41,167)	21,855
(Expected credit loss)/reversal of expected credit loss recognised, net		(503)	1,980
Finance costs	5	(8,523)	(10,692)
Share of results of associates		205	(1,403)
Share of results of joint ventures		(4)	(4)

* For identification purposes only

		For the six months ended	
		31 December	31 December
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Loss before taxation	4	(69,469)	(5,555)
Income tax credit/(expense)	6	10,292	(5,464)
Loss for the period		<u>(59,177)</u>	<u>(11,019)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		36,827	(8,137)
Other comprehensive income for the period		36,827	(8,137)
Total comprehensive income for the period		<u>(22,350)</u>	<u>(19,156)</u>
Loss for the period attributed to:			
Owners of the Company		(58,757)	(10,912)
Non-controlling interests		(420)	(107)
		<u>(59,177)</u>	<u>(11,019)</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		(21,882)	(19,100)
Non-controlling interests		(468)	(56)
		<u>(22,350)</u>	<u>(19,156)</u>
Loss per share			
– Basic and diluted (<i>HK cents</i>)	8	<u>(2.47)</u>	<u>(0.46)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 December 2023	30 June 2023
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment	9	14,170	17,709
Investment properties	10	646,310	669,164
Right-of-use assets		11,098	8,414
Intangible assets	11	394,763	394,772
Interests in associates		3,026	2,757
Interests in joint ventures		1,960	1,956
		1,071,327	1,094,772
Total non-current assets			
Current assets			
Inventories		32,171	23,818
Debtors, other loans and receivables, deposits and prepayments	12	227,151	235,214
Bills receivable	13	–	1,461
Financial assets at fair value through profit or loss	14	5,660	5,930
Bank balances and cash		110,675	85,665
		375,657	352,088
Total current assets			
Current liabilities			
Creditors, other advances and accrued charges	16	218,194	212,309
Borrowings	17	156,758	129,177
Derivative financial liabilities	15	–	177
Lease liabilities		1,749	1,262
		376,701	342,925
Total current liabilities			
Net current (liabilities)/assets		(1,044)	9,163
Total assets less current liabilities		1,070,283	1,103,935

		31 December	30 June
		2023	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Non-current liabilities			
Lease liabilities		3,861	1,798
Other payables and advances	16	7,501	7,334
Borrowings	17	127,030	131,764
Deferred tax liabilities		66,086	74,884
		<hr/>	<hr/>
Total non-current liabilities		204,478	215,780
		<hr/>	<hr/>
Total net assets		865,805	888,155
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Capital and reserves			
Share capital	18	23,745	23,745
Reserves		843,577	865,459
		<hr/>	<hr/>
Equity attributable to owners of the Company		867,322	889,204
Non-controlling interests		(1,517)	(1,049)
		<hr/>	<hr/>
Total equity		865,805	888,155
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Statutory reserve fund <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 July 2022 (audited)	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 period	-	-	-	-	-	-	-	(10,912)	(10,912)	(107)	(11,019)
Exchange difference on translating foreign operations	-	-	-	(8,188)	-	-	-	-	(8,188)	51	(8,137)
Total comprehensive income for the period	-	-	-	(8,188)	-	-	-	(10,912)	(19,100)	(56)	(19,156)
Release upon disposal of investment properties	-	-	-	-	-	(6,180)	-	6,180	-	-	-
At 31 December 2022 (unaudited)	<u>23,745</u>	<u>1,828,432</u>	<u>612,360</u>	<u>(7,288)</u>	<u>4,878</u>	<u>102,073</u>	<u>-</u>	<u>(1,493,958)</u>	<u>1,070,242</u>	<u>(718)</u>	<u>1,069,524</u>
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Statutory reserve fund <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 July 2023 (audited)	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 period	-	-	-	-	-	-	-	(58,757)	(58,757)	(420)	(59,177)
Exchange difference on translating foreign operations	-	-	-	36,875	-	-	-	-	36,875	(48)	36,827
Total comprehensive income for the period	-	-	-	36,875	-	-	-	(58,757)	(21,882)	(468)	(22,350)
At 31 December 2023 (unaudited)	<u>23,745</u>	<u>1,828,432</u>	<u>612,360</u>	<u>13,883</u>	<u>4,878</u>	<u>99,901</u>	<u>-</u>	<u>(1,715,877)</u>	<u>867,322</u>	<u>(1,517)</u>	<u>865,805</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	For the six months ended	
	31 December	31 December
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	6,254	57,986
Investing activities		
Interest received	7,057	6,647
Expenditure on investment properties	(3,850)	(37,152)
Purchases of property, plant and equipment	(1,374)	(1,583)
Proceeds from disposal of property, plant and equipment	2,179	23
Proceeds from disposal of right-of-use assets	2,166	–
Proceeds from disposal of investment properties	–	52,500
Net cash generated from investing activities	6,178	20,435
Financing activities		
Interest paid on borrowings	(8,428)	(10,657)
Repayment of interest portion of the lease liabilities	(95)	(35)
Repayment of principal portion of the lease liabilities	(954)	(1,202)
Repayment of other loans	(13,645)	(50,000)
Repayment of bank loans	(69,185)	(6,169)
Proceeds from new bank loans	99,401	–
Proceeds from sales and leaseback of machinery	3,248	–
Net cash generated from/(used in) financing activities	10,342	(68,063)
Net increase in cash and cash equivalents	22,774	10,358
Cash and cash equivalents at beginning of the period	85,665	71,346
Effect of foreign exchange rate changes	2,236	(2,419)
Cash and cash equivalents at end of the period	110,675	79,285
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	110,675	79,285

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and included applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2023. The accounting policies and method of computation used in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s consolidated financial statements for the year ended 30 June 2023.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 July 2023, which comprise HKFRSs; HKASs; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s unaudited interim condensed consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

The Group has applied the following amendment to HKFRSs issued by the HKICPA to this interim financial information for the current accounting period:

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 HKFRS 17	International Tax Reform – Pillar Two Model Rules Insurance Contracts and the related Amendments

The Group has assessed the impact of the adoption of the above amendment and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies for the current and prior periods have been prepared or presented.

3. TURNOVER AND 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 31 December 2022 and 31 December 2023, and for the periods then ended for the purpose of segment reporting.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is measure of adjusted profit/loss before taxation. The adjusted profit/loss before taxation is measured consistently with the Group’s profit/loss before taxation except that change in fair value of derivative financial instruments, change in fair value of financial assets at fair value through profit or loss, share of results of associates and joint ventures as well as head office and corporate expenses are excluded from such measurement.

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

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

For the six months ended 31 December 2023 (Unaudited)

	Cables and wires HK\$'000	Copper rods HK\$'000	Investment properties HK\$'000	Total HK\$'000
Revenue from external customers	116,998	444,970	5,604	567,572
Inter-segment revenue	–	–	–	–
Reportable segment revenue	116,998	444,970	5,604	567,572
Reportable segment loss	(16,912)	(6,767)	(36,815)	(60,494)
Finance costs	(3,723)	(3,932)	(774)	(8,429)
Change in fair value of investment properties	–	–	(41,167)	(41,167)
Gain on disposal of property, plant and equipment	2,113	–	–	2,113
Gain on disposal of right-of-use assets	2,101	–	–	2,101
(Expected credit loss)/reversal of expected credit loss recognised, net				
– allocated	(543)	10	7	(526)
– unallocated				23
				(503)
Depreciation of right-of-use assets				
– allocated	(280)	–	–	(280)
– unallocated				(595)
				(875)
Depreciation of property, plant and equipment				
– allocated	(1,828)	(30)	–	(1,858)
– unallocated				(35)
				(1,893)
Income tax credit	–	–	10,292	10,292

For the six months ended 31 December 2022 (Unaudited)

	Cables and wires <i>HK\$'000</i>	Copper rods <i>HK\$'000</i>	Investment properties <i>HK\$'000</i>	Total Total <i>HK\$'000</i>
Revenue from external customers	109,912	78,718	5,922	194,552
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Reportable segment revenue	109,912	78,718	5,922	194,552
Reportable segment (loss)/profit	<u>(15,640)</u>	<u>(5,790)</u>	<u>25,964</u>	<u>4,534</u>
Finance costs	(5,133)	(4,651)	(868)	(10,652)
Change in fair value of derivative financial instruments	225	–	–	225
Change in fair value of investment properties	–	–	21,855	21,855
Loss on disposal of property, plant and equipment	(777)	–	–	(777)
Loss on disposal of investment properties	–	–	(500)	(500)
Reversal of expected credit loss recognised	1,618	1	361	1,980
Depreciation of right-of-use assets				
– allocated	(3)	–	–	(3)
– unallocated				<u>(1,049)</u>
				<u>(1,052)</u>
Depreciation of property, plant and equipment				
– allocated	(1,529)	(38)	(235)	(1,802)
– unallocated				<u>(53)</u>
				<u>(1,855)</u>
Income tax expense	–	–	(5,464)	<u><u>(5,464)</u></u>

As at 31 December 2023 (Unaudited)

	Cables and wires <i>HK\$'000</i>	Copper rods <i>HK\$'000</i>	Investment properties <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	360,020	16,183	650,264	1,026,467
Additions to non-current assets	4,817	–	3,850	8,667
Reportable segment liabilities	266,316	58,690	180,446	505,452

As at 30 June 2023 (Audited)

	Cables and wires <i>HK\$'000</i>	Copper rods <i>HK\$'000</i>	Investment properties <i>HK\$'000</i>	Total <i>HK\$'000</i>
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	233,135	471,267

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

	For the six months ended	
	31 December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss before taxation		
Reportable segment (loss)/profit	(60,494)	4,534
Change in fair value of derivative financial instruments	83	(93)
Change in fair value of financial assets at fair value through profit or loss	(270)	(659)
Share of results of joint ventures	(4)	(4)
Share of results of associates	205	(1,403)
Unallocated finance costs	(94)	(40)
Unallocated corporate expenses	(8,895)	(7,890)
Consolidated loss before taxation	<u>(69,469)</u>	<u>(5,555)</u>
	31 December	30 June
	2023	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Assets		
Reportable segment assets	1,026,467	1,023,007
Mining right	394,763	394,772
Interests in joint ventures	1,960	2,757
Interests in associates	3,026	1,956
Unallocated bank balances and cash	1,423	4,175
Unallocated corporate assets	19,345	20,193
Consolidated total assets	<u>1,446,984</u>	<u>1,446,860</u>

	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Liabilities		
Reportable segment liabilities	505,452	471,267
Deferred tax liabilities	66,086	74,884
Unallocated corporate liabilities	9,641	12,554
	<hr/>	<hr/>
Consolidated total liabilities	581,179	558,705
	<hr/> <hr/>	<hr/> <hr/>

(c) Geographical information

The Group's operations are located in the People's Republic of China (the "PRC"), Americas, Europe, Hong Kong and other countries.

The following table provides an analysis of the Group's sales by geographical markets, irrespective of the origin of the goods:

	For the six months ended 31 December	
	Revenue from external customers	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
The PRC	505,712	133,303
Americas	18,832	14,442
Europe	21,204	18,590
Hong Kong	6,945	11,853
Others	14,879	16,364
	<hr/>	<hr/>
	567,572	194,552
	<hr/> <hr/>	<hr/> <hr/>

4. LOSS BEFORE TAXATION

This has been arrived at after charging/(crediting) the following:

	For the six months ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	1,893	1,855
Depreciation of right-of-use assets	875	1,052
Government subsidies	–	(304)
(Gain)/loss on disposal of property, plant and equipment	(2,113)	777
Loss on disposal of investment properties	–	500
Gain on disposal of right-of-use assets	(2,101)	–
(Reversal of write-down)/write-down on inventories	(883)	1,189
	<u> </u>	<u> </u>

5. FINANCE COSTS

	For the six months ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on borrowings	8,428	10,657
Interest on lease liabilities	95	35
	<u> </u>	<u> </u>
	<u>8,523</u>	<u>10,692</u>

6. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax for the period		
Hong Kong profits tax	–	–
Taxation in other jurisdictions	–	–
Deferred tax for the period	(10,292)	5,464
	<u> </u>	<u> </u>
Income tax (credit)/expense	<u>(10,292)</u>	<u>5,464</u>

For the six months ended 31 December 2023, no provision for Hong Kong profits tax has been provided as there is sufficient tax losses to offset with the assessable profits. For the six months ended 31 December 2022, no provision for Hong Kong profits tax has been provided as there is no assessable profit arising in Hong Kong.

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. No profits tax has been provided for other countries and jurisdictions as there is no assessable profits during the current and prior periods.

7. DIVIDEND

The directors do not recommend the payment of any dividend for the six months ended 31 December 2023 (six months ended 31 December 2022: HK\$Nil).

8. LOSS PER SHARE

The calculation of basic and diluted loss per share amounts for the six months ended 31 December 2023 and 2022 is based on the loss for the period attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the period.

<i>Loss</i>	For the six months ended 31 December	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Loss attributable to owners of the Company for the purpose of basic earnings per share	(58,757)	(10,912)
	<u>2,374,532,340</u>	<u>2,374,532,340</u>

<i>Number of shares</i>	For the six months ended 31 December	
	2023 (Unaudited)	2022 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,374,532,340	2,374,532,340

Since there was no potential dilutive ordinary share during the six months ended 31 December 2023 and 2022, the basic and diluted loss per share were equal.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2023, the Group purchased and disposed of property, plant and equipment of HK\$1,374,000 (six months ended 31 December 2022: HK\$695,000) and HK\$3,319,000 (six months ended 31 December 2022: HK\$800,000) respectively.

10. 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 2022 (Audited)	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)
Disposals of a subsidiary	(26,870)	–	(26,870)
Exchange realignment	(22,027)	(33,852)	(55,879)
	<u>243,826</u>	<u>425,338</u>	<u>669,164</u>
At 30 June 2023 and 1 July 2023 (Audited)	243,826	425,338	669,164
Additions	–	3,850	3,850
Change in fair value	(20,680)	(20,487)	(41,167)
Exchange realignment	5,125	9,338	14,463
	<u>5,125</u>	<u>9,338</u>	<u>14,463</u>
At 31 December 2023 (Unaudited)	<u>228,271</u>	<u>418,039</u>	<u>646,310</u>

The Group's investment properties were valued at 31 December 2023 by LCH (Asia-Pacific) Surveyors Limited and Peak Vision Appraisals Limited. They are independent firms of professionally qualified valuers, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and category of properties being valued. The valuation of the investment properties was based on one of the following approaches:

- (i) investment approach by capitalising the rental income derived from existing tenancies with due provision for any reversionary income potential of the tenancies;
- (ii) direct comparison approach by making reference to comparable sales evidence available as in the relevant market; or
- (iii) depreciated replacement cost approach by making reference to the market value of comparable land and the estimated replacement cost of the buildings.

These valuations gave rise to fair value loss of HK\$41,167,000 during the current period (six months ended 31 December 2022: net fair value gain of HK\$21,855,000).

No direct operating expenses arising on the investment properties were incurred during the six months ended 31 December 2023 and 2022.

11. INTANGIBLE ASSETS

	Mining right <i>HK\$'000</i>
COST:	
At 1 July 2023 (Audited)	1,167,714
Exchange realignments	(9)
	<hr/>
At 31 December 2023 (Unaudited)	1,167,705
	<hr/>
ACCUMULATED AMORTISATION AND IMPAIRMENT:	
At 1 July 2023 (Audited) and 31 December 2023 (Unaudited)	772,942
	<hr/> <hr/>
NET CARRYING AMOUNT:	
At 31 December 2023 (Unaudited)	394,763
	<hr/> <hr/>
At 30 June 2023 (Audited)	394,772
	<hr/> <hr/>

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.

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

At 31 December 2023, included in the Group's debtors, other loans and receivables, deposits and prepayments were trade debtors of approximately HK\$61,220,000 (30 June 2023: HK\$57,642,000).

- (i) The Group allows an average credit period of 30 to 60 days to its trade customers.
- (ii) The aging analysis of trade debtors, net of allowance for doubtful debts, based on invoice date, is as follows:

	31 December 2023 <i>HK\$'000</i> (Unaudited)	30 June 2023 <i>HK\$'000</i> (Audited)
Within 30 days	58,543	25,247
31–60 days	1,682	16,940
61–90 days	208	9,069
Over 90 days	787	6,386
	<hr/>	<hr/>
	61,220	57,642
	<hr/> <hr/>	<hr/> <hr/>

- (iii) At 31 December 2023, included in debtors, other loans and receivables, deposits and prepayments were amounts due from financial institutions amounting to approximately HK\$488,000 (30 June 2023: HK\$4,322,000) resulting from the net settlements of derivative financial instruments which were in the closed-out positions at the end of reporting period.

13. BILLS RECEIVABLE

As at 30 June 2023, all bills receivable aged within 90 days.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Equity securities held for trading and listed in Hong Kong	<u>5,660</u>	<u>5,930</u>

The fair values of the equity securities are determined based on the quoted market prices. During the period, a loss on change in fair value of HK\$270,000 (six months ended 31 December 2022: HK\$659,000) was recognised in profit or loss.

15. DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into copper future contracts to manage the copper price risk of raw materials.

The fair values of copper future contracts are determined based on the quoted market prices provided by banks or financial institutions at the end of reporting periods. The gain on change in fair value of derivative financial instruments of approximately HK\$83,000 (six months ended 31 December 2022: HK\$132,000) has been recognised in the profit or loss during the period. All of these derivative financial instruments are not designated as hedging instruments.

16. CREDITORS, OTHER ADVANCES AND ACCRUED CHARGES

At 31 December 2023, included in the Group's creditors, other advances and accrued charges were trade creditors of HK\$83,154,000 (30 June 2023: HK\$55,173,000).

The aging analysis of trade creditors, based on invoice date, is as follows:

	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Within 30 days	32,924	37,179
31–60 days	24,071	11,459
61–90 days	9,475	1,631
Over 90 days	<u>16,684</u>	<u>4,904</u>
	<u>83,154</u>	<u>55,173</u>

17. BORROWINGS

During the six months ended 31 December 2023, the Group raised new borrowings of HK\$99,401,000 (six months ended 31 December 2022: HK\$Nil) to provide for additional working capital and made repayment of HK\$82,830,000 (six months ended 31 December 2022: HK\$56,169,000). The borrowings of HK\$283,788,000 of the Group are secured. The average effective interest rates of the bank borrowings range from 3.0% to 7.2% (30 June 2023: 4.98% to 7.35%) per annum.

18. SHARE CAPITAL

	Number of shares		Share capital	
	31 December 2023 '000 (Unaudited)	30 June 2023 '000 (Audited)	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Ordinary shares of HK\$0.01 each:				
Authorised	<u>50,000,000</u>	<u>50,000,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:				
At beginning and at end of the period/year	<u>2,374,532</u>	<u>2,374,532</u>	<u>23,745</u>	<u>23,745</u>

19. SHARE OPTION SCHEME

- (a) On 18 December 2012, the Company adopted a share option scheme (the “**Scheme**”) for the primary purpose to attract, retain and motivate talented employees, executive and non-executive directors and consultants of the Company or any subsidiaries of associated companies or such persons who from time to time are determined by the board of directors (the “**Board**”) at its discretion as having contributed to the Group based on his/her performance and/or years of services, or it regarded as valuable resources and other relevant factors (the “**Participants**”), to strive for future developments and expansion of the Group. The Scheme was expired on 17 December 2022.

No share options were granted under the Scheme during the six months ended 31 December 2022. As at 30 June 2023 and 31 December 2023, the Company did not have any outstanding share option under the Scheme accordingly.

- (b) On 5 December 2022, the Company adopted a new share option scheme (the “**New Scheme**”) for the primary purpose of providing incentives to employees, executive and non-executive directors of the Company or any subsidiaries or such person who from time to time are determined by the Board as its discretion as having contributed to the Group based on his/her performance and/or years of services, or valuable resources and other relevant factors (the “**Employee Participants**”), to recruit and retain high calibre employees. Additionally, the Company may, from time to time, grant share options to such persons who provide services to the Company or any subsidiaries on a continuing and recurring basis in the ordinary and usual course of business of the Group (the “**Service Providers**”) in the interest of the long term growth of the Group as determined by the Board.

Under the New Scheme, the Board of the Company may grant options to the Employee Participants and Service Providers to subscribe for shares in the Company at a price equal to the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheets on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares, subject to a maximum of 237,453,234 shares, representing 10% of the issued share capital of the Company as at the date of approval from the Company’s shareholders.

No share options were granted during the six months ended 31 December 2023 and 2022 under the New Scheme.

20. RELATED PARTY TRANSACTIONS

In addition to the information detailed elsewhere in these unaudited interim condensed consolidated financial statements, and except for the compensation of key management personnel as disclosed below, the Group has no other related party transaction for both periods.

Compensation of key management personnel of the Group

Members of key management personnel of the Group during the periods comprised only of the directors.

21. PLEDGE OF ASSETS

As at 31 December 2023, the Group has pledged investment properties in the aggregate amount of HK\$609,416,000 (30 June 2023: HK\$631,086,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board announces that for the six months ended 31 December 2023 (the “**period under review**”), the total turnover of the Group was approximately HK\$567,572,000, representing an increase of approximately 191.7% as compared to approximately HK\$194,552,000 recorded for the corresponding period last year. During the period under review, loss attributable to the owners of the Company was approximately HK\$58,757,000, as compared to loss attributable to the owners of the Company of approximately HK\$10,912,000 for the corresponding period last year.

Loss per share for the period under review was approximately HK2.47 cents (Loss per share for 2022/2023 interim: HK0.46 cents).

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 31 December 2023 (31 December 2022 interim: nil).

BUSINESS REVIEW

The Group’s turnover for the period under review was approximately HK\$567,572,000, representing an increase of approximately 191.7% as compared to approximately HK\$194,552,000 for the same period of last year. By business segments, the turnover of the cables and wires business was approximately HK\$116,998,000, representing an increase of approximately 6.4% as compared to approximately HK\$109,912,000 for the same period of last year and accounting for approximately 20.6% of the Group’s total turnover. Turnover of the copper rod business was approximately HK\$444,970,000, representing an increase of approximately 465.3% as compared to approximately HK\$78,718,000 for the same period of last year and accounting for approximately 78.4% of the Group’s total turnover. Turnover of the leasing business was approximately HK\$5,604,000, representing a decrease of approximately 5.4% as compared to approximately HK\$5,922,000 for the same period of last year and accounting for approximately 1.0% of the Group’s total turnover.

By geographical market segments, turnover from the business in the Americas increased by approximately 30.4% to approximately HK\$18,832,000 from approximately HK\$14,442,000 for the same period of last year, accounting for approximately 3.3% of the Group’s total turnover. Turnover from the business in Mainland China and Hong Kong increased by approximately 253.2% to approximately HK\$512,657,000 from approximately HK\$145,156,000 for the same period of last year, accounting for approximately 90.3% of the Group’s total turnover. Turnover from the business in Europe increased by approximately 14.1% to approximately HK\$21,204,000 from approximately HK\$18,590,000 for the same period of last year, accounting for approximately 3.8% of the Group’s total turnover. Turnover from the business in other regions decreased by approximately 9.1% to approximately HK\$14,879,000 from approximately HK\$16,364,000 for the same period of last year, accounting for approximately 2.6% of the Group’s total turnover.

Cables and Wires

The Group's turnover of the cables and wires business for the period under review was approximately HK\$116,998,000, representing an increase of approximately 6.4% as compared to approximately HK\$109,912,000 for the same period of last year. The major customers are primarily manufacturers of white household appliances. During the period under review, benefiting from the continued stabilisation of the domestic economy and the easing of the Russia-Ukraine war in Europe, the society and the economy also recovered. As a result, the demand for home appliances has gradually picked up, contributing to the rebound of the Group's cables and wires business during the period under review.

Copper Rod Business

The copper rod business comprises the trading of copper rods and copper wires and their related products. During the period under review, the turnover of the copper rod business was approximately HK\$444,970,000, representing an increase of approximately 465.3% as compared to approximately HK\$78,718,000 for the corresponding period of last year. International copper prices remained stable during the period under review, with the 3-month London Metal Exchange copper price hovering around US\$8,500 per tonne. The stabilization of copper prices, coupled with the continuous improvement in the economy, significantly bolstered the operating environment for the copper rod trading business during the period under review. The Group has put more effort into expanding its copper rod business in light of the stabilization of copper prices and the improving business environment.

Rental Income

The Group's investment properties comprise industrial properties in the PRC. During the period under review, rental income was approximately HK\$5,604,000, representing a decrease of approximately 5.4% as compared with approximately HK\$5,922,000 for the same period of last year. The decrease was due to the impact of the fluctuation of the RMB exchange rate during the period under review.

Mining

The Group's mineral resources are concentrated in Dundgobi Aimag and Bayan-Ulgii Aimag, Mongolia. No revenue was recorded for the period under review as these projects did not carry out any production activities.

In order to encourage foreign investment, Mongolia adopted a new law on investment (the “**Investment Law**”) in October 2013, which reduced the regulatory approval requirements for foreign investment and simplified the registration process of foreign direct investment. The new Investment Law no longer distinguishes between domestic and foreign investors within Mongolia, treating them equally in terms of regulation and protection, and offering the same tax and non-tax benefits. However, there are certain restrictions on investments by foreign state-owned legal entities in some special sectors, such as mining, finance, and news and communications. The Group is evaluating whether the new Investment Law offers benefits for its investments in the country.

During the period under review, the Group did not make any large-scale capital investment in respect of its mining business in Mongolia except for the work required to maintain its mining rights. The Group will closely monitor the Mongolian local and international economic conditions and adopt a more cautious approach in formulating corresponding investment strategies.

PROSPECTS

Although the construction of the Group's modern factory buildings in Dongguan is close to completion, there are some works outstanding. The Board will endeavor to complete the construction of the factory buildings and review its strategies for allocation and development of the Group's land resources, with a view to increasing the Group's revenue and enhancing returns to shareholders.

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 suspended the construction works of its land development project in light of the unfavorable trading conditions of the building stones industry and COVID-19-related issues. During the last reporting year, the constructor of the project filed a claim against Zhou's Marble for breach of agreement in relation to the suspension of the project. On 5 July 2023, the first instance judgment was rendered against Zhou's Marble and ordered Zhou's Marble to pay a total of approximately RMB21,000,000 in compensation. Zhou's Marble filed an appeal on 31 July 2023 and as of the date of this announcement, no judgement has been handed down for the appeal. The Group will make announcement(s) in relation to the development of the case in due course. Further information is set out in the section headed “Litigation involving an indirect non-wholly owned subsidiary of the Company” in this announcement and the announcement of the Company dated 29 September 2023.

While the domestic economy is stabilising and the Russia-Ukraine war shows signs of subsiding, the Group expects the business environment for wires and cables to be challenging in the coming year due to the persistent high interest rate environment abroad and the unpredictable prospect brought by the coming presidential election of the United States this year. The Group will make timely changes to its sales strategy in response to the economic environment and redirect its resources to increase sales in the hope of minimizing some of the uncertainties arising from the domestic economy, the war and the 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.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had approximately 400 employees in Hong Kong, the People's Republic of China (“**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 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 employees are required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly 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 the employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the relevant local governments.

During the six months ended 31 December 2023 and 31 December 2022, 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 six months ended 31 December 2023, the Group implemented a prudent financial management policy. As at 31 December 2023, the Group had cash and bank balances amounting to approximately HK\$111 million (30 June 2023: approximately HK\$86 million) and the value of net current liabilities was approximately HK\$1 million (Net current assets at 30 June 2023: approximately HK\$9 million). The Group's gearing ratio as at 31 December 2023 was 0.33 (30 June 2023: 0.29), being a ratio of total borrowings of approximately HK\$284 million (30 June 2023: approximately HK\$261 million) to shareholders' funds of approximately HK\$867 million (30 June 2023: approximately HK\$889 million).

EXCHANGE RISKS

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

CHARGES ON GROUP ASSETS

As at 31 December 2023, the Group had pledged investment properties with an aggregate net book value of approximately HK\$609 million (30 June 2023: approximately HK\$631 million) to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2023 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 period 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 31 December 2023 and the changes in fair value were charged to the income statement. The net gain of the Derivative Financial Instruments for the period under review was approximately HK\$83,000 (31 December 2022 interim: net gain of approximately HK\$132,000).

CAPITAL STRUCTURE

The Company did not have any fund raisings or any capital reorganisation during the period 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 period 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.

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

The information below was set out in the announcement of the Company dated 29 September 2023 pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

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. As at the date of this announcement, no judgement has been handed down for the appeal.

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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2023, the interest of the Directors and their associates in the Shares, underlying shares or debentures of the Company or any of the Company's associated corporation (within the meaning of Part XV of the SFO), as recorded in the register kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") are as follows:

Name of Director	Capacity	Number of Shares held in long position	Total percentage of the issued share capital of the Company
Chau Chi Ho	Beneficial owner	39,380,000	1.66%
Lo Wai Ming	Beneficial owner	400,000	0.02%
Lo Chao Ming	Beneficial owner	300,000	0.01%

Other than as disclosed above, as at 31 December 2023, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of the Company's associated corporation (within the meaning of Part XV of the SFO), as recorded in the register kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors and chief executive of the Company, as at 31 December 2023, there were no persons (other than the Directors or the chief executive of the Company) who had a notifiable interest or short position in the shares or underlying shares of the Company recorded in the register kept by the Company pursuant to section 336 of the SFO.

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 six months ended 31 December 2023.

CORPORATE GOVERNANCE

During the period 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.

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 at the 2023 AGM. Mr. Chung has been serving as the chairman of the audit committee of the Company 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 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 offered himself for re-election 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. An ordinary resolution was passed at the 2022 AGM to approve the re-appointment of Mr. Lo Chao Ming as an independent non-executive Director.

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, 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 period 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 period 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

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

The Audit Committee has reviewed the unaudited interim results of the Group for the period under review and has agreed with the accounting treatments adopted.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as the code of conduct regarding Directors’ securities transactions. Having made specific enquiries with all Directors, each of the Directors confirmed that he had complied with the required standards set out in the Model Code throughout the period under review.

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

Hong Kong, 28 February 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.