



Solartech International Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 1166



2025-2026
INTERIM REPORT

CORPORATE INFORMATION

Directors

Executive Directors

CHAU Lai Him (*Chairman and
Managing Director*)
CHAU Chi Ho (*Deputy Chairman*)
LIU Dong Yang

Independent Non-Executive Directors

CHUNG Kam Kwong
LO Wai Ming
LO Chao Ming
DOU Biling

Company Secretary

CHAN Kam Yee

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

Unit 16, 12/F, Concordia Plaza
1 Science Museum Road
Tsim Sha Tsui
Kowloon
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Stock Code

1166

Website

www.1166hk.com

Auditor

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Legal Advisor

Herbert Smith Freehills Kramer
23/F, Gloucester Tower
15 Queen's Road Central
Hong Kong

Bermuda Principal Share Registrar and Transfer Office

Conyers Corporate Services
(Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Banks (In Alphabetical Order)

Bank of China Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited

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 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

		For the six months ended	
		31 December 2025	31 December 2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Turnover	3(a)	237,977	299,714
Cost of sales		<u>(221,201)</u>	<u>(274,146)</u>
Gross profit		16,776	25,568
Interest income		5,384	5,701
Other income and other gains, net		1,783	1,908
General and administrative expenses		(29,806)	(36,045)
Selling and distribution expenses		(2,821)	(3,583)
Finance costs	5	(4,550)	(8,640)
Change in fair value of derivative financial instruments	15	–	37
Change in fair value of investment properties	10	3,413	(13,983)
Change in fair value of financial assets at fair value through profit or loss	14	(1,400)	70
Expected credit loss recognised, net		(3,410)	(1,096)
Share of results of joint ventures		(5)	(5)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

		For the six months ended	
		31 December 2025	31 December 2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Loss before taxation	4	(14,636)	(30,068)
Income tax (expense)/credit	6	(853)	3,496
Loss for the period		(15,489)	(26,572)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		1,936	(6,707)
Other comprehensive income for the period		1,936	(6,707)
Total comprehensive income for the period		(13,553)	(33,279)
Loss for the period attributed to:			
Owners of the Company		(15,121)	(26,226)
Non-controlling interests		(368)	(346)
		(15,489)	(26,572)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

		For the six months ended	
		31 December 2025	31 December 2024
	Note	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Total comprehensive income for the period attributable to:			
Owners of the Company		(13,125)	(32,960)
Non-controlling interests		(428)	(319)
		<u>(13,553)</u>	<u>(33,279)</u>
			(Restated)
Loss per share			
– Basic and diluted (HK\$)	8	<u>(0.13)</u>	<u>(0.21)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	18,592	19,832
Investment properties	10	289,776	281,822
Right-of-use assets		4,889	5,426
Intangible assets	11	308,148	308,171
Interests in associates		745	745
Interests in joint ventures		1,384	1,370
Total non-current assets		<u>623,534</u>	<u>617,366</u>
Current assets			
Inventories		10,892	14,089
Debtors, other loans and receivables, deposits and prepayments	12	165,779	164,625
Bills receivable	13	194	46
Financial assets at fair value through profit or loss	14	4,490	5,890
Pledged bank deposits		556	–
Bank balances and cash		102,361	108,792
Total current assets		<u>284,272</u>	<u>293,442</u>
Current liabilities			
Creditors, other advances and accrued charges	16	95,394	89,923
Borrowings	17	168,288	170,300
Lease liabilities		100	687
Total current liabilities		<u>263,782</u>	<u>260,910</u>
Net current assets		<u>20,490</u>	<u>32,532</u>
Total assets less current liabilities		<u>644,024</u>	<u>649,898</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Notes	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Non-current liabilities			
Other payables and advances	16	2,984	2,938
Borrowings	17	6,008	8,105
Deferred tax liabilities		23,583	22,354
		<u>32,575</u>	<u>33,397</u>
Total non-current liabilities		32,575	33,397
Total net assets		<u>611,449</u>	<u>616,501</u>
EQUITY			
Capital and reserves			
Share capital	18	28,493	23,745
Reserves		585,956	595,328
		<u>614,449</u>	<u>619,073</u>
Equity attributable to owners of the Company		614,449	619,073
Non-controlling interests		<u>(3,000)</u>	<u>(2,572)</u>
Total equity		<u>611,449</u>	<u>616,501</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	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 (audited)	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 period	-	-	-	-	-	-	-	(26,226)	(26,226)	(346)	(26,572)
Exchange difference on translating foreign operations	-	-	-	(6,734)	-	-	-	-	(6,734)	27	(6,707)
Total comprehensive income for the period	-	-	-	(6,734)	-	-	-	(26,226)	(32,960)	(319)	(33,279)
Equity-settled share-based payment	-	-	-	-	-	-	1,229	-	1,229	-	1,229
At 31 December 2024 (unaudited)	<u>23,745</u>	<u>1,828,432</u>	<u>612,360</u>	<u>(30,158)</u>	<u>4,878</u>	<u>99,901</u>	<u>1,462</u>	<u>(1,771,862)</u>	<u>768,758</u>	<u>(2,082)</u>	<u>766,676</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 (audited)	23,745	1,828,432	612,360	(64,738)	4,878	43,142	2,213	(1,830,959)	619,073	(2,572)	616,501
Loss for the period	-	-	-	-	-	-	-	(15,121)	(15,121)	(368)	(15,489)
Exchange difference on translating foreign operations	-	-	-	1,996	-	-	-	-	1,996	(60)	1,936
Placements of new shares	4,748	4,036	-	-	-	-	-	-	8,784	-	8,784
Transaction costs on placements of new shares	-	(283)	-	-	-	-	-	-	(283)	-	(283)
Total comprehensive income for the period	<u>4,748</u>	<u>3,753</u>	<u>-</u>	<u>1,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,121)</u>	<u>(4,624)</u>	<u>(428)</u>	<u>(5,052)</u>
At 31 December 2025 (unaudited)	<u>28,493</u>	<u>1,832,185</u>	<u>612,360</u>	<u>(62,742)</u>	<u>4,878</u>	<u>43,142</u>	<u>2,213</u>	<u>(1,846,080)</u>	<u>614,449</u>	<u>(3,000)</u>	<u>611,449</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	For the six months ended	
	31 December 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Unaudited)
Net cash (used in)/generated from operating activities	(9,498)	15,450
Investing activities		
Interest received	8,610	5,701
Repayment of loan receivables	113,594	262,122
Loan receivables advanced	(114,476)	(260,471)
Expenditure on investment properties	–	(1,138)
Purchases of property, plant and equipment	(341)	(1,725)
Proceeds from disposal of property, plant and equipment	5	–
Placement of pledged bank deposits	(542)	–
Net cash generated from investing activities	6,850	4,489
Financing activities		
Interest paid on borrowings	(4,373)	(6,346)
Repayment of interest portion of the lease liabilities	(13)	(55)
Repayment of principal portion of the lease liabilities	(587)	(544)
New bank and other loans raised	6,994	43,412
Repayment of bank and other loans	(13,746)	(74,987)
Net proceeds from issue of new shares	8,501	–
Net cash used in financing activities	(3,224)	(38,520)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	For the six months ended	
	31 December 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	31 December 2024 <i>HK\$'000</i> <i>(Unaudited)</i>
Net decrease in cash and cash equivalents	(5,872)	(18,581)
Cash and cash equivalents at beginning of the period	108,792	102,526
Effect of foreign exchange rate changes	(559)	(504)
Cash and cash equivalents at end of the period	<u>102,361</u>	<u>83,441</u>
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	<u>102,361</u>	<u>83,441</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards (“**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 2025. 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 2025.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, HKAS and interpretations) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 July 2025. The adoption of these new and revised HKFRS Accounting Standards 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 HKFRS Accounting Standards that have been issued but are not effective. The Group has already commenced an assessment of the impact of these new HKFRS Accounting Standards but is not yet in a position to state whether these new HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

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

Amendments to HKAS 21 Lack of Exchangeability

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 2025 and 30 June 2025, and for the six months ended 31 December 2025 and 2024 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 joint ventures as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude intangible asset of mining right, interests in associates and joint ventures 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.

3. TURNOVER AND SEGMENTAL INFORMATION *(Continued)*

(a) *Reportable segments (Continued)*

For the six months ended 31 December 2025 (Unaudited)

	Cables and wires HK\$'000	Copper rods HK\$'000	Investment properties HK\$'000	Total HK\$'000
Revenue from external customers	66,925	167,631	3,421	237,977
Inter-segment revenue	-	-	-	-
Reportable segment revenue	66,925	167,631	3,421	237,977
Reportable segment (loss)/profit before taxation	(12,289)	2,029	5,870	(4,390)
Finance costs	(3,983)	-	(554)	(4,537)
Change in fair value of investment properties	-	-	3,413	3,413
Expected credit loss recognised	(3,236)	-	(174)	(3,410)
Depreciation of right-of-use assets				
– allocated	(88)	-	-	(88)
– unallocated				(523)
				(611)
Depreciation of property, plant and equipment				
– allocated	(1,602)	-	-	(1,602)
– unallocated				(58)
				(1,660)
Research and development expenses	(6,941)	-	-	(6,941)
Income tax expense	-	-	(853)	(853)

3. TURNOVER AND SEGMENTAL INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

For the six months ended 31 December 2024 (Unaudited)

	Cables and wires HK\$'000	Copper rods HK\$'000	Investment properties HK\$'000	Total HK\$'000
Revenue from external customers	92,846	196,284	10,584	299,714
Inter-segment revenue	–	–	–	–
Reportable segment revenue	92,846	196,284	10,584	299,714
Reportable segment (loss)/profit before taxation	(13,864)	5,654	(10,431)	(18,641)
Finance costs	(3,506)	–	(5,078)	(8,584)
Change in fair value of investment properties	–	–	(13,983)	(13,983)
Expected credit loss recognised				
– allocated	(780)	–	(205)	(985)
– unallocated				(111)
				(1,096)
Depreciation of right-of-use assets				
– allocated	(280)	–	–	(280)
– unallocated				(595)
				(875)
Depreciation of property, plant and equipment				
– allocated	(1,828)	–	–	(1,828)
– unallocated				(35)
				(1,863)
Research and development expenses	(9,388)	–	–	(9,388)
Income tax credit	–	–	3,496	3,496

3. **TURNOVER AND SEGMENTAL INFORMATION** *(Continued)*

(a) **Reportable segments** *(Continued)*
As at 31 December 2025 (Unaudited)

	Cables and wires HK\$'000	Copper rods HK\$'000	Investment properties HK\$'000	Total HK\$'000
Reportable segment assets	282,564	12,865	292,655	588,084
Additions to non-current assets	341	–	–	341
Reportable segment liabilities	233,305	556	26,871	260,732

As at 30 June 2025 (Audited)

	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

3. TURNOVER AND SEGMENTAL INFORMATION *(Continued)*

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

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before taxation		
Reportable segment loss	(4,390)	(18,641)
Change in fair value of derivative financial instruments	–	37
Change in fair value of financial assets at fair value through profit or loss	(1,400)	70
Share of results of joint ventures	(5)	(5)
Unallocated finance costs	(13)	(56)
Unallocated corporate expenses	(8,828)	(11,473)
	<u>(14,636)</u>	<u>(30,068)</u>
Consolidated loss before taxation	<u>(14,636)</u>	<u>(30,068)</u>
	31 December	30 June
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Assets		
Reportable segment assets	588,084	589,341
Mining right	308,148	308,171
Interests in associates	745	745
Interests in joint ventures	1,384	1,370
Unallocated bank balances and cash	2,228	2,562
Unallocated corporate assets	7,217	8,619
	<u>907,806</u>	<u>910,808</u>
Consolidated total assets	<u>907,806</u>	<u>910,808</u>

3. TURNOVER AND SEGMENTAL INFORMATION *(Continued)*

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

	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Liabilities		
Reportable segment liabilities	260,732	262,705
Deferred tax liabilities	23,583	22,354
Unallocated corporate liabilities	12,042	9,248
	<hr/> 296,357 <hr/>	<hr/> 294,307 <hr/>
Consolidated total liabilities	296,357	294,307

(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	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The PRC	193,642	244,429
Americas	8,851	13,234
Europe	20,190	21,225
Hong Kong	4,752	6,887
Others	10,542	13,939
	<hr/> 237,977 <hr/>	<hr/> 299,714 <hr/>

4. LOSS BEFORE TAXATION

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

	For the six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	1,660	1,863
Depreciation of right-of-use assets	611	875
(Reversal of write-down)/write-down on inventories	(160)	384
Loss on disposal of property, plant and equipment	7	–

5. FINANCE COSTS

	For the six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on borrowings	4,373	6,346
Interest on lease liabilities	13	55
Interest on overdue trade and other payables	164	2,239

6. INCOME TAX (EXPENSE)/CREDIT

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax for the period		
Hong Kong profits tax	–	–
Taxation in other jurisdictions	–	–
Deferred tax for the period	(853)	3,496
Income tax (expense)/credit	<u>(853)</u>	<u>3,496</u>

No Hong Kong profits tax has been provided as the Group has no estimated assessable profit arising in Hong Kong during the current and prior periods.

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 the Group has no estimated assessable profit 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 2025 (six months ended 31 December 2024: HK\$Nil).

8. LOSS PER SHARE

The calculation of basic and diluted loss per share amounts for the six months ended 31 December 2025 and 2024 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	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company for the purpose of basic earnings per share	(15,121)	(26,226)
	(15,121)	(26,226)
	(15,121)	(26,226)

<i>Number of shares</i>	For the six months ended	
	31 December	
	2025	2024
	(Unaudited)	(Unaudited and restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	120,016,834	126,348,866
	120,016,834	126,348,866

The computation of diluted loss per share for the six months ended 31 December 2025 does not assume the exercise of the Company's outstanding share options since they are anti-dilutive. Therefore, the diluted loss per share was the same as the basic loss per share for the six months ended 31 December 2025 (six months ended 31 December 2024: Same).

The comparative figure for the basic and diluted loss per share for the six months ended 31 December 2024 has been restated retrospectively to take into account the effect of the bonus element embedded in the placements of new shares during the six months ended 31 December 2025 as if they had taken place since the beginning of the respective comparative period.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2025, the Group purchased and disposed of property, plant and equipment of HK\$341,000 (six months ended 31 December 2024: HK\$1,725,000) and HK\$12,000 (six months ended 31 December 2024: HK\$Nil) 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 2024 (Audited)	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 a subsidiary	(298,248)	–	(298,248)
Exchange realignment	8,266	3,100	11,366
	199,807	82,015	281,822
At 30 June 2025 and 1 July 2025 (Audited)			
Change in fair value	4,584	(1,171)	3,413
Exchange realignment	3,276	1,265	4,541
	207,667	82,109	289,776
At 31 December 2025 (Unaudited)			

The Group's investment properties were valued at 31 December 2025 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

10. INVESTMENT PROPERTIES *(Continued)*

- (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 gain of HK\$3,413,000 during the current period (six months ended 31 December 2024: fair value loss of HK\$13,983,000).

No direct operating expenses arising on the investment properties were incurred during the six months ended 31 December 2025 and 2024.

11. INTANGIBLE ASSETS

	Mining right <i>HK\$'000</i>
COST:	
At 1 July 2025 (Audited)	1,167,719
Exchange realignments	(24)
	<hr/>
At 31 December 2025 (Unaudited)	1,167,695
	<hr/>
ACCUMULATED AMORTISATION AND IMPAIRMENT:	
At 1 July 2025 (Audited) and 31 December 2025 (Unaudited)	859,548
	<hr/>
NET CARRYING AMOUNT:	
At 31 December 2025 (Unaudited)	308,147
	<hr/>
At 30 June 2025 (Audited)	308,171
	<hr/>

The mining right represents the right to conduct mining activities in the location of Nergui, Delgerkhantai 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 2025, included in the Group's debtors, other loans and receivables, deposits and prepayments were trade debtors of approximately HK\$34,411,000 (30 June 2025: HK\$46,076,000).

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

	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Within 30 days	22,638	16,063
31–60 days	5,673	12,838
61–90 days	2,661	9,528
Over 90 days	3,439	7,647
	34,411	46,076

13. BILLS RECEIVABLE

As at 31 December 2025 and 30 June 2025, all bills receivable aged within 90 days.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Equity securities held for trading and listed in Hong Kong	4,490	5,890

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\$1,400,000 (six months ended 31 December 2024: gain on change in fair value of HK\$70,000) was recognised in profit or loss.

15. DERIVATIVE FINANCIAL INSTRUMENTS

During the six months ended 31 December 2025, the Group did not enter 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\$37,000 was recognised in the profit or loss during the six months ended 31 December 2024.

All of these derivative financial instruments are not designated as hedging instruments.

As at 31 December 2025, there were no outstanding copper future contracts.

16. CREDITORS, OTHER ADVANCES AND ACCRUED CHARGES

At 31 December 2025, included in the Group's creditors, other advances and accrued charges were trade creditors of HK\$55,507,000 (30 June 2025: HK\$56,590,000).

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

	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Within 30 days	32,187	29,261
31–60 days	2,782	9,463
61–90 days	4,362	2,823
Over 90 days	16,176	15,043
	55,507	56,590

17. BORROWINGS

During the six months ended 31 December 2025, the Group raised new borrowings of HK\$6,994,000 (six months ended 31 December 2024: HK\$43,412,000) to provide for additional working capital and made repayment of HK\$13,746,000 (six months ended 31 December 2024: HK\$74,987,000). The borrowings of HK\$174,296,000 of the Group are secured. The average effective interest rates of the bank and other borrowings range from 4.4% to 8.1% (30 June 2025: 4.4% to 7.2%) per annum.

18. SHARE CAPITAL

	Number of shares		Share capital	
	31 December 2025 '000 (Unaudited)	30 June 2025 '000 (Audited)	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Ordinary shares of HK\$0.2 each:				
Authorised	<u>2,500,000</u>	<u>2,500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:				
At beginning of the period/year	<u>118,727</u>	118,727	<u>23,745</u>	23,745
Placements of new shares (Note)	<u>23,740</u>	-	<u>4,748</u>	-
At end of the period/year	<u>142,467</u>	118,727	<u>28,493</u>	23,745

Note: On 22 December 2025, the Company issued 23,740,000 ordinary shares upon completion of the placing. The placing shares have been successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.37 per placing share. The net proceeds after deducting related expenses of approximately HK\$283,000 were approximately HK\$8,501,000.

19. SHARE OPTION SCHEME

On 5 December 2022, the Company adopted a new share option scheme (the “**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.

19. SHARE OPTION SCHEME *(Continued)*

Under the 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 10% of the issued share capital of the Company as at the date of approval from the Company's shareholders.

On 27 May 2024, the Company granted share options to eligible participants to subscribe for a total of 11,870,000 ordinary shares of HK\$0.2 each (with exercise price of HK\$0.44 per share) in the share capital of the Company under the Scheme with vesting period from 27 May 2024 to 26 May 2025. During the six months ended 31 December 2024, equity-settled share-based payment expenses of HK\$1,229,000 were recognised. No share options were granted, exercised and lapsed during the six months ended 31 December 2025 and 2024 under the Scheme. As at 31 December 2025, the Company had 10,690,000 share options outstanding under the Scheme (30 June 2025: 10,690,000).

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 2025, the Group has pledged property, plant and equipment, investment properties, right-of-use assets and bank deposits in the aggregate amount of HK\$8,428,000, HK\$289,776,000, HK\$4,802,000 and HK\$556,000 respectively (30 June 2025: HK\$4,778,000, HK\$281,822,000, HK\$4,816,000 and HK\$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board announces that for the six months ended 31 December 2025 (the “**period under review**”), the total turnover of the Group was approximately HK\$237,977,000, representing a decrease of 20.6% as compared to approximately HK\$299,714,000 recorded for the corresponding period last year. During the period under review, loss attributable to the owners of the Company was approximately HK\$15,121,000, as compared to loss attributable to the owners of the Company of approximately HK\$26,226,000 for the corresponding period last year.

Loss per share for the period under review was approximately HK\$0.13 (Loss per share for 2024/2025 interim: HK\$0.21 restated).

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 31 December 2025 (31 December 2024 interim: nil).

BUSINESS REVIEW

The Group’s turnover for the period under review was approximately HK\$237,977,000, representing a decrease of 20.6% as compared to approximately HK\$299,714,000 for the corresponding period last year. By business segments, the turnover of the cables and wires business was approximately HK\$66,925,000, representing a decrease of 27.9% as compared to approximately HK\$92,846,000 for the corresponding period last year and accounting for 28.1% of the Group’s total turnover. Turnover of the copper rod business was approximately HK\$167,631,000, representing a decrease of 14.6% as compared to approximately HK\$196,284,000 for the corresponding period last year and accounting for 70.5% of the Group’s total turnover. Turnover of the leasing business was approximately HK\$3,421,000, representing a decrease of 67.7% as compared to approximately HK\$10,584,000 for the corresponding period last year and accounting for 1.4% of the Group’s total turnover.

By geographical market segments, turnover from the business in the Americas decreased by 33.1% to approximately HK\$8,851,000 from approximately HK\$13,234,000 for the corresponding period last year, accounting for 3.7% of the Group's total turnover. Turnover from the business in Mainland China and Hong Kong decreased by 21.1% to approximately HK\$198,394,000 from approximately HK\$251,316,000 for the corresponding period last year, accounting for 83.4% of the Group's total turnover. Turnover from the business in Europe decreased by 4.9% to approximately HK\$20,190,000 from approximately HK\$21,225,000 for the corresponding period last year, accounting for 8.5% of the Group's total turnover. Turnover from the business in other regions decreased by 24.4% to approximately HK\$10,542,000 from approximately HK\$13,939,000 for the corresponding period last year, accounting for 4.4% 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\$66,925,000, representing a decrease of 27.9% as compared to approximately HK\$92,846,000 for the corresponding period last year. The major customers are manufacturers primarily engaged in producing white goods. During the period under review, the Chinese economy achieved its full-year GDP growth target of 5.0% in 2025, though the growth momentum significantly weakened in the second half of the year. The persistently weak domestic consumption demand, insufficient consumer confidence and sluggish real estate market have collectively weighed on the market demand for white goods, leading to a reduction in customer orders. Consequently, the Group's cables and wires business experienced a decline 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\$167,631,000, representing a decrease of 14.6% as compared to approximately HK\$196,284,000 for the corresponding period last year. During the period under review, international copper prices rose significantly, with the 3-month London Metal Exchange copper price hiking from approximately US\$9,948 per tonne at the beginning of the period to approximately US\$12,466 per tonne at the end of the period. During the period under review, the Manufacturing Purchasing Managers' Index (PMI) of China hovered in the contraction territory of 49.3% to 49.8% from July 2025 to November 2025, before rebounding to 50.1% in December 2025, barely above the expansion threshold. This reflects the persistent pressures on industrial production posed by insufficient domestic demand and weak orders. As copper is one of the key materials for downstream industries such as cables and wires, power equipment and home appliances, demand for copper rod is highly sensitive to contraction of manufacturing activities and fluctuations of copper prices at high levels. Customer are exercising caution in their purchasing decisions, leading to reduced or deferred orders, which further dampened market demand for copper rods. The Group will adjust its market strategy 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 period under review, rental income was approximately HK\$3,421,000, representing a decrease of approximately 67.7% as compared with approximately HK\$10,584,000 for the corresponding period last year. Such decrease was attributable to the disposals of the rental factory premises of the Group in Dongguan, together with Dongguan Hua Yi Brass Products Co., Ltd.* (東莞華藝銅業有限公司) ("DHY"), which was then an indirect wholly-owned subsidiary of the Company, on 6 March 2025. No rental income was recorded from the property disposed of during the period 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 mineral resources. These mining projects have not yet commenced any production or operating activities, nor have they recorded any revenue during the period under review.

* For identification purposes only

Although international copper prices rose significantly during the period under review, creating certain market opportunities for copper mine development, the Group continued to adopt a prudent operation strategy for its mining projects under the dual constraints of policy and infrastructure factors in Mongolia. The Group only focused on maintaining project compliance and performing necessary asset upkeep, and has not yet undertaken large-scale capital investment. As a result, the mining business remains unlikely to contribute to the Group's performance in the short term.

PROSPECTS

The Group will focus on principal businesses, consolidate its traditional strengths in business of power cords and home appliance wire harnesses, and actively expand into the field of electric vehicles, robotics, and new energy application wires and cables. This strategic expansion aims to achieve product upgrades and technological breakthroughs, ensuring adaptability in a rapidly evolving market environment. Concurrently, we will implement a key account strategy to strengthen collaboration with core customers, support their product ecosystems, and jointly explore industry transformation pathways for mutual success.

The foundational manufacturing sectors such as wires and cables and copper rod processing, experienced a sharp decline in orders due to shrinking demand from industries including home appliances and power equipment. In addition, the copper price fluctuations at high levels further intensified operational challenges in the sector, severely constraining companies' procurement, production, and pricing strategies. To enhance core competitiveness, we will strengthen technical teams, increase R&D investment, and boost new product development capabilities. Through technological innovation, we will not only meet the diverse needs of our customers but also expand our market share. Furthermore, we will optimise management systems by implementing lean practices to improve operational efficiency and minimise resource waste, thereby laying a robust foundation for sustainable development.

Looking ahead, the global economic recovery still lacks core growth drivers, with the overall situation appearing to be more sluggish than anticipated. Economies worldwide are confronting multiple deep-seated pressures in their fundamentals. International trade flows continue to shrink, trade protectionist tendencies are intensifying, and the stability of global industrial and supply chains has been further undermined. In response to the challenging macroeconomic and industry environment during the period under review, the Group will optimize its customer base and adjust its product mix, and capitalise on opportunities in new energy and intelligent technologies. While maintaining our existing strengths, we will develop new growth drivers to achieve business diversification and sustainable development, ensuring our continued leadership in the industry.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had approximately 350 employees in Hong Kong, the People's Republic of China ("**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, 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 expenses as incurred. Moreover, all the employees of the Group's entities incorporated in the PRC participate in employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the relevant local governments.

During the six months ended 31 December 2025 and 31 December 2024, 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 2025, the Group implemented a prudent financial management policy. As at 31 December 2025, the Group had cash and bank balances amounting to approximately HK\$102 million (30 June 2025: HK\$109 million) and the value of net current assets was approximately HK\$20 million (30 June 2025: HK\$33 million). The Group's gearing ratio as at 31 December 2025 was 0.28 (30 June 2025: 0.29), being a ratio of total borrowings of approximately HK\$174 million (30 June 2025: HK\$178 million) to shareholders' funds of approximately HK\$614 million (30 June 2025: HK\$619 million).

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

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

EXCHANGE RISKS

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

CHARGES ON GROUP ASSETS

As at 31 December 2025, the Group had pledged property, plant and equipment, investment properties, right-of-use assets and bank deposits amounting to approximately HK\$8,428,000 (30 June 2025: HK\$4,778,000), approximately HK\$289,776,000 (30 June 2025: HK\$281,822,000), approximately HK\$4,802,000 (30 June 2025: HK\$4,816,000) and approximately HK\$556,000 (30 June 2025: HK\$Nil) respectively to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2025 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 period under review, the Group did not enter into any copper forward contracts (“**Derivative Financial Instruments**”) to manage copper price risks. The net gain of the Derivative Financial Instruments for the period under review was approximately HK\$Nil (31 December 2024 interim results: net gain of HK\$37,000).

CAPITAL STRUCTURE

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

After the trading hours of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 in the capital of the Company (the “**Placing Shares**”) on best endeavor basis 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**”) which was granted to the Directors by a resolution of the shareholders passed at the 2024 annual general meeting of the Company held on 6 December 2024 (the “**2024 AGM**”), the Directors were allowed 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.

The Placing Shares are, when fully paid, 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 record 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.

Reasons for the Placing

In view of the recent market conditions, the Directors consider that the Placing represents an opportunity for the Group to raise additional funds to further strengthen its capital base and financial position, including its ability to meet and settle its expenses and any future obligations and support 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 faces significant cash outflows from its operating activities. In the financial year ended 30 June 2025, cash outflow from its operating activities reached approximately HK\$78 million. Faced with significant cash outflow from its operations, it is necessary for the Company to maintain sufficient reserves for ensuring stability and continuity in its core business operations.

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

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

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

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

The Company has been proactively seeking new investors/shareholders in the past 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 stocks of the Company, no placing agent has been identified until the identification of the Placing Agent recently which is willing to participate in the Placing. The Board believes this is a valuable opportunity that should not be missed as the Placing not only provides supplementary cash reserves to support the Group's future development, but also broaden the shareholder base of the Company.

Placing Price

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

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

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

Completion of the Placing

On 22 December 2025 (the "**Completion Date**"), the Company announced that all conditions precedent set out in the Placing Agreement have been fulfilled and the Placing was completed on 22 December 2025 in accordance with the terms and conditions of the Placing Agreement.

The Placing Agent has successfully placed 23,740,000 Placing Shares, 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 Placees 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 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	<u>116,711,617</u>	<u>98.30</u>	<u>116,711,617</u>	<u>81.93</u>
Total	<u>118,726,617</u>	<u>100.00</u>	<u>142,466,617</u>	<u>100.00</u>

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.

The Company intends 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 31 December 2025 and the date of this report are summarised as follows:

Intended 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

Actual use of net proceeds from the Placing

As at 31 December 2025,

- approximately HK\$3,000,000 for the repair and maintenance expenses of the Group's investment properties;
- approximately HK\$3,501,000 for material purchases and the expenses of the PRC operations of the Group; and
- approximately HK\$2,000,000 maintained at the banks.

As at the date of this report,

- approximately HK\$3,000,000 for the repair and maintenance expenses of the Group's investment properties;
- approximately HK\$3,501,000 for material purchases and the expenses of the PRC operations of the Group; and
- approximately HK\$2,000,000 maintained at the banks.

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

CURRENT GENERAL MANDATE TO ALLOT AND ISSUE SHARES

At the annual general meeting held on 5 December 2025 (the “**2025 AGM**”), the new general mandate (the “**Current General Mandate**”) was approved by the Shareholders and the Company has been authorised to allot and issue up to 23,745,323 new Shares, (i) being 20% of the 118,726,617 Shares in issue as at the date of the 2025 AGM; (ii) being 16.67% of the 142,466,617 Shares in issue as at 31 December 2025; and (iii) being 16.67% of the 142,466,617 Shares in issue as at the date of this report.

The details of the Current General Mandate were set out in the circular of the Company dated 24 October 2025 and the announcement of the Company dated 5 December 2025.

Save as the above, the Company did not have any other 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 report.

SHARE OPTIONS

The Company has adopted the share option Scheme (the “**Share Option Scheme**”) in accordance with Chapter 17 of the Listing Rules, pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 5 December 2022. Details of the principal terms of the Share Option Scheme were set out in the circular of the Company dated 10 November 2022.

On 27 May 2024 (“**Date of Grant**”), the Company resolved to grant share options to subscribe for a total of 11,870,000 Shares to the six Directors and certain employee participants (collectively, the “**Grantees**”), subject to acceptances by the Grantees, under the Share Option Scheme.

The details of the options granted on 27 May 2024 were set out in the announcement of the Company dated 27 May 2024 and the 2025 Annual Report of the Company.

Details of the share options granted, exercised, cancelled and lapsed during the period under review under the Share Option Scheme are set out below:

Name or category of participants	Date of Grant	Exercisable period	Exercise price HK\$ Note (1)	Outstanding at 1 July 2025	Number of Share Options				Outstanding at 31 December 2025
					Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	
Share Options Granted on 27 May 2024									
Directors									
Chau Lai Him	27 May 2024	27 May 2025 to 26 May 2027	0.44	1,180,000	-	-	-	-	1,180,000
Chau Chi Ho	27 May 2024	27 May 2025 to 26 May 2027	0.44	1,180,000	-	-	-	-	1,180,000
Liu Dong Yang	27 May 2024	27 May 2025 to 26 May 2027	0.44	1,180,000	-	-	-	-	1,180,000
Chung Kam Kwong	27 May 2024	27 May 2025 to 26 May 2027	0.44	110,000	-	-	-	-	110,000
Lo Wai Ming	27 May 2024	27 May 2025 to 26 May 2027	0.44	110,000	-	-	-	-	110,000
Lo Chao Ming	27 May 2024	27 May 2025 to 26 May 2027	0.44	110,000	-	-	-	-	110,000
Employees	27 May 2024	27 May 2025 to 26 May 2027	0.44	6,820,000	-	-	-	-	6,820,000
				<u>10,690,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,690,000</u>

Note (1): The exercise price of HK\$0.44 was determined based on the highest of the following: (i) The closing price per Share as stated in the Stock Exchange's daily quotation sheet on 27 May 2024 being HK\$0.44; (ii) the average closing price per Share as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding 27 May 2024 being HK\$0.428; and (iii) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on 24 May 2024 (the trading day immediately preceding the date of grant, i.e. 27 May 2024) being HK\$0.44. The vesting period was the period from 27 May 2024 to 26 May 2025. There is no performance target attached to the above share options.

During the period under review, no share options lapsed and no share options were exercised or cancelled. The Stock Exchange has granted the approval for the listing of, and permission to deal in, the Shares falling to be allotted and issued by the Company pursuant to the exercise of the above share options granted under the Share Option Scheme.

As at 1 July 2025, there were a total of 10,690,000 outstanding share options entitling the Grantees thereof to subscribe for a total of 10,690,000 Shares, representing approximately 9.004% of the 118,726,617 Shares in issue of the Company on that date.

As at 31 December 2025 and the date of this report, there were a total of 10,690,000 outstanding share options entitling the Grantees thereof to subscribe for a total of 10,690,000 Shares, representing approximately 7.503% of the number of 142,466,617 Shares in issue of the Company on the respective dates.

The Company has not adopted any other share scheme subject to Chapter 17 of the Listing Rules during the six months ended 31 December 2025.

Refreshment of the Scheme Mandate Limit and Refreshment of the Service Provider Sublimit

Reference is made to the circular of the Company dated 24 October 2024, the announcement dated 6 December 2024 and the Company's 2024 Annual Report.

At the 2024 AGM, the refreshment of the scheme mandate limit and the refreshment of the service provider sublimit under the Share Option Scheme were both approved by the independent shareholders of the Company.

Upon refreshment, the aggregate number of Shares that may be issued under the options to be granted pursuant to the Share Option Scheme under the refreshed scheme mandate limit is 11,872,661 Shares, representing approximately 10% of the 118,726,617 Shares in issue as the date of the 2024 AGM; and 3,561,798 Shares are available for grants of share options to eligible service providers under the refreshed service provider sublimit under the Share Option Scheme, representing approximately 3% of the 118,726,617 Shares in issue as at the date of 2024 AGM.

The Stock Exchange has granted the approval for the listing of, and permission to deal in, the shares falling to be allotted and issued by the Company pursuant to the exercise of the options under the refreshed Scheme Mandate Limit pursuant to the Share Option Scheme.

Maximum Number of Shares Available for Grant

As at 31 December 2025 and the date of this report, the total number of share options available for grant pursuant to the Share Option Scheme under the refreshed scheme mandate limit is 11,872,661 Shares, representing approximately 8.334% of the number of 142,466,617 Shares in issue of the Company on the respective dates.

As at 31 December 2025 and the date of this report, within the refreshed scheme mandate limit, the total number of share options available for grant to eligible service providers under the refreshed service provider sublimit is 3,561,798 Shares, representing approximately 2.500% of the number of 142,466,617 Shares in issue of the Company the respective dates.

Maximum Number of Shares Available for Issue

As at 1 July 2025, taking into account the unexercised outstanding share options granted on 27 May 2024 and the refreshed scheme mandate limit, the total number of Shares available for issue under the Share Option Scheme is 22,562,661 Shares, representing approximately 19.004% of the 118,726,617 Shares in issue on the that date.

As at 31 December 2025 and the date of this report, taking into account the unexercised outstanding share options granted on 27 May 2024 and the refreshed scheme mandate limit, the total number of Shares of available for issue under the Share Option Scheme is 22,562,661 Shares, representing approximately 15.837% of the 142,466,617 Shares in issue on the respective dates.

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 report.

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 and 29 September 2025, the construction works of the land development project of 廉江市周氏石材有限公司 (Lianjiang Zhou's Marble Company Limited*) ("**Zhou's Marble**"), an indirect non-wholly owned subsidiary of the Company, have been suspended since 2020 in light of the unfavorable trading conditions of the building stones industry and COVID-19-related issues. The constructor of the captioned project (the "**Plaintiff**") filed a claim against Zhou's Marble in the PRC for the settlement of the construction costs and Zhou's Marble was ordered to pay the Plaintiff approximately RMB21,000,000 pursuant to the first instance decision in early July 2023. Zhou's Marble filed an appeal against the decision in late July 2023. The Intermediate People's Court of Zhanjiang City, Guangdong Province ruled in mid-March 2024 that the first instance decision was based on unclear findings of basic facts and that the case should be remanded to the People's Court of Lianjiang City, Guangdong Province for retrial. 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 Plaintiff disagreed and filed an appeal to the Intermediate People's Court of Lianjiang 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 Lianjiang City, Guangdong Province dismissed the appeal and upheld the original judgment of the retrial in favour of Zhou's Marble. This judgment is final.

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

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

As at 31 December 2025, 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 Securities and Futures Ordinance ("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	Number of underlying Shares held in long position (Note)	Total percentage of the issued share capital of the Company
Chau Lai Him	Beneficial owner	0	1,180,000	0.828%
Chau Chi Ho	Beneficial owner	1,980,000	1,180,000	2.218%
Liu Dong Yang	Beneficial owner	0	1,180,000	0.828%
Chung Kam Kwong	Beneficial owner	0	110,000	0.077%
Lo Wai Ming	Beneficial owner	20,000	110,000	0.091%
Lo Chao Ming	Beneficial owner	15,000	110,000	0.088%

Note: Long position in the underlying shares of the Company under the share options granted on 27 May 2024 pursuant to the Share Option Scheme.

Other than as disclosed above, as at 31 December 2025, 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

As at 31 December 2025, so far as is known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had an interest in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register kept by the Company pursuant to section 336 of the SFO.

Name of substantial shareholders	Nature of interest	Number of Shares held in long position	Approximate percentage of the issued share capital of the Company (Note 2)
Chan Chuk Cheung Ivan (Note 1)	Beneficial owner	9,690,000	6.80%
Li Pui (Note 1)	Beneficial owner	7,560,000	5.31%

Notes:

- (1) Chan Chuk Cheung Ivan and Li Pui are independent third parties who are independent of and not connected persons of the Company within the meaning ascribed under the Listing Rules and not acting in concert (within the meaning of the Codes on Takeovers and Mergers and Share Buy-backs) with the Company.
- (2) As at 31 December 2025, the total number of Share in issue was 142,466,617 Shares.

Save as disclosed above, so far as is known to the Directors and chief executive of the Company, as at 31 December 2025, 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 2025. As at 31 December 2025 and the date of this report, the Company did not hold any treasury shares.

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, C.2.1 and F.1.3 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, 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 bye-law 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 bye-law 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 bye-law 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. An ordinary resolution was passed at the 2024 AGM to approve the re-appointment of Mr. Lo as an independent non-executive Director.

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.1.3

Under Code provision F.1.3, 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 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 FINANCIAL INFORMATION

The audit committee of the Company (the “**Audit Committee**”) comprises Mr. Chung Kam Kwong, Mr. Lo Wai Ming, Mr. Lo Chao Ming and Ms. Dou Biling, 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, together with BDO Limited, the auditor of the Company, has reviewed the unaudited interim results of the Group for the period under review. The Audit Committee 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, 26 February 2026