SOLARTECH INTERNATIONAL HOLDINGS LIMITED

蒙古礦業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

2012/2013 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors (the "**Directors**") of Solartech International Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for year ended 30 June 2013 together with last year's comparative figures, as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 HK$'000	2012 HK$'000
Turnover	3 & 4	**601,611**	612,863
Cost of sales		**(587,421)**	(605,339)
Gross profit		**14,190**	7,524
Interest income		**9,992**	8,381
Other income and gains		**14,172**	6,912
General and administrative expenses		**(93,576)**	(104,263)
Selling and distribution expenses		**(8,305)**	(8,905)
Finance costs	6	**(13,227)**	(16,890)
Change in fair value of derivative financial instruments		**(5,385)**	(21,087)
Change in fair value of investment properties, net	10	**12,207**	54,714
Change in fair value of financial assets at fair value through profit or loss		**17,733**	12,395
Impairment loss recognised for doubtful debts, net		**(169)**	(288)
Impairment loss on property, plant and equipment		**—**	(28,343)
Impairment loss on mining right		**(360,600)**	—
Share of results of jointly-controlled entities	13	**(209)**	(10)
Share of results of an associate		**—**	(471)
Loss on disposal of an associate		**—**	(1,509)
Loss before taxation	5	**(413,177)**	(91,840)
Taxation	7	**(1,894)**	(14,292)
Loss for the year attributable to owners of the Company		**(415,071)**	(106,132)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		**(3,322)**	84
Reclassification adjustment of exchange reserve upon disposal of an associate		**—**	(2,816)
Other comprehensive income for the year		**(3,322)**	(2,732)
Total comprehensive income for the year attributable to owners of the Company		**(418,393)**	(108,864)
Loss per share:	9		(Restated)
— Basic and diluted (HK$)		**(2.64)**	(1.24)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**182,037**	186,112
Prepayments for acquisition of property, plant and equipment		**6,946**	8,426
Investment properties	*10*	**131,771**	119,564
Prepaid lease payments for land	*11*	**93,001**	92,597
Mining right	*12*	**803,210**	1,164,218
Exploration and evaluation assets		**23,447**	25,355
Interests in jointly-controlled entities	*13*	**99,781**	99,990
Total non-current assets		**1,340,193**	1,696,262
Current assets			
Inventories		**80,164**	78,511
Debtors, other loans and receivables, deposits and prepayments	*14*	**195,526**	176,248
Bills receivable		**1,295**	425
Financial assets at fair value through profit or loss		**44,334**	26,601
Prepaid lease payments for land	*11*	**2,787**	2,694
Derivative financial assets		**3**	117
Pledged deposits and bank balances		**34,060**	47,931
Bank balances and cash		**142,316**	191,727
Total current assets		**500,485**	524,254

	Notes	**2013**	2012
		HK$'000	*HK$'000*
Current liabilities			
Creditors, other advances and accrued charges	*15*	**49,486**	40,491
Bills payable		**79,685**	109,935
Taxation		**157**	308
Obligations under finance leases		**186**	460
Borrowings		**177,433**	138,636
Derivative financial liabilities		**1,813**	446
Total current liabilities		**308,760**	290,276
Net current assets		**191,725**	233,978
Total assets less current liabilities		**1,531,918**	1,930,240
Non-current liabilities			
Obligations under finance leases		**146**	332
Deferred tax liabilities		**36,951**	35,119
Total non-current liabilities		**37,097**	35,451
Total net assets		**1,494,821**	1,894,789
EQUITY			
Capital and reserves			
Share capital		**1,875**	27,719
Reserves		**1,492,446**	1,866,570
Equity attributable to owners of the Company		**1,494,321**	1,894,289
Non-controlling interest		**500**	500
Total equity		**1,494,821**	1,894,789

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Exchange reserve *HK$'000*	Statutory reserve fund *HK$'000*	Share option reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interest *HK$'000*	Total equity *HK$'000*
At 1 July 2011	12,613	1,014,901	612,360	3,574	4,866	–	183,046	1,831,360	500	1,831,860
Placements of new shares	13,845	144,515	–	–	–	–	–	158,360	–	158,360
Issue of shares upon exercise of share options	1,261	10,340	–	–	–	–	–	11,601	–	11,601
Recognition of equity-settled share-based payments	–	–	–	–	–	1,832	–	1,832	–	1,832
Transactions with owners	15,106	154,855	–	–	–	1,832	–	171,793	–	171,793
Loss for the year	–	–	–	–	–	–	(106,132)	(106,132)	–	(106,132)
Other comprehensive income	–	–	–	(2,732)	–	–	–	(2,732)	–	(2,732)
Total comprehensive income for the year	–	–	–	(2,732)	–	–	(106,132)	(108,864)	–	(108,864)
Transfer upon exercise of share options	–	1,832	–	–	–	(1,832)	–	–	–	–
At 30 June 2012	27,719	1,171,588	612,360	842	4,866	–	76,914	1,894,289	500	1,894,789

	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Exchange reserve HK$'000	Statutory reserve fund HK$'000	(Accumulated losses)/ retained profits HK$'000	Total HK$'000	Non-controlling interest HK$'000	Total equity HK$'000
At 1 July 2012	27,719	1,171,588	612,360	842	4,866	76,914	1,894,289	500	1,894,789
Placements of new shares	489	17,936	–	–	–	–	18,425	–	18,425
Transactions with owners	489	17,936	–	–	–	–	18,425	–	18,425
Loss for the year	–	–	–	–	–	(415,071)	(415,071)	–	(415,071)
Other comprehensive income	–	–	–	(3,322)	–	–	(3,322)	–	(3,322)
Total comprehensive income for the year	–	–	–	(3,322)	–	(415,071)	(418,393)	–	(418,393)
Capital reorganisation	(26,333)	–	–	–	–	26,333	–	–	–
At 30 June 2013	1,875	1,189,524	612,360	(2,480)	4,866	(311,824)	1,494,321	500	1,494,821

Notes:

The contributed surplus represented (i) the net balance after setting off accumulated losses of the Company from reduced share capital and cancelled share premium of the Company where applicable in accordance with the Company's capital reorganisations in September 2002 and November 2012; and (ii) the credit arising from the capital reduction in accordance with the Company's capital reorganisation in July 2009.

The exchange reserve comprised all foreign exchange differences arising from the translation of the financial statements of foreign operations, hedges of net investment in foreign operations and share of reserves of associates.

The statutory reserve fund of the Group represents reserve required by the relevant People's Republic of China (the "**PRC**") laws applicable to the Company's PRC subsidiaries and share of statutory reserve fund of an associate.

1. ORGANISATION AND OPERATIONS

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in Corporate Information in the annual report.

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacture and trading of cables and wires, manufacture and trading of copper rods, and holding of mining right and exploration and evaluation assets. Its jointly-controlled entities are engaged in holding of exploration and mining permits. Further details are set out in Notes 4 and 13.

The financial statements are presented in Hong Kong dollars, which is the functional currency of the Company.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs — effective 1 July 2012

Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets
Amendments to HKAS 1(Revised)	Presentation of Items of Other Comprehensive Income

The adoption of these amendments has no significant impact on the Group's financial statements.

Amendments to HKAS 12 — Deferred Tax — Recovery of Underlying Assets

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property which is stated at fair value under HKAS 40 "Investment Property" is recovered entirely through sale. The measurement of the deferred tax liability or deferred tax asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If this presumption is rebutted, the amount of deferred tax is measured based on the expected manner in which the carrying amount of the investment property would be recovered, using the appropriate tax rates enacted or substantially enacted at the reporting date.

The Group has investment properties situated in the PRC and measured at fair value of HK$131,771,000 as at 30 June 2013 (2012: HK$119,564,000) as disclosed in Note 10. The Group has assessed that the presumption in the amendments to HKAS 12 should be adopted in respect of the Group's investment properties and therefore no amendment to the deferred tax is necessary.

Amendments to HKAS 1 (Revised) — Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The Group's presentation of other comprehensive income in has been modified accordingly.

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

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Annual Improvements Projects	Annual Improvement 2009–2011 Cycle[1]
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 32	Offsetting Financial Assets Financial Liabilities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKFRS 19 (2011)	Employee Benefits[1]
HKAS 27 (2011)	Separate Financial Statements[1]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKFRS 10, HKFRS 12, and HKAS 27 (2011)	Investment Entities[2]
HK(IFRIC) — Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine[1]
HK(IFRIC) — Interpretation 21	Levies[2]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[2]
Amendments to HKAS 39	Financial instruments: Recognition and measurement[3]

Effective dates:

(1) Annual periods beginning on or after 1 January 2013

(2) Annual periods beginning on or after 1 January 2014

(3) Annual periods beginning on or after 1 January 2015

HKFRSs (Amendments) — Annual Improvements 2009–2011 Cycle

The improvements made the following amendments relevant to the Group's financial statements as follows:

(i) HKAS 1 Presentation of Financial Statements

The amendments clarify that the requirement to present a third statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements is limited to circumstances where there is a material effect on the information in that statement of financial position. The date of the opening statement of financial position is the beginning of the preceding period and not, as at present, the beginning of the earliest comparative period. The amendments also clarify that, except for disclosures required by HKAS 1.41-44 and HKAS 8, the related notes to the third statement of financial position are not required to be presented. An entity may present additional voluntary comparative information as long as that information is prepared in accordance with HKFRS. This may include one or more statements and not a complete set of financial statements. Related notes are required for each additional statement presented.

(ii) HKAS 16 Property, Plant and Equipment

The amendments clarify that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

(iii) HKAS 32 Financial Instruments: Presentation

The amendments clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. Depending on the circumstances these items of income tax might be recognised in equity, other comprehensive income or in profit or loss.

(iv) HKAS 34 Interim Financial Reporting

The amendments clarify that in interim financial statements, a measure of total assets and liabilities for a particular reportable segment needs to be disclosed when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements.

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKAS 32 — Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

Amendments to HKFRS 7 — Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

HKFRS 10 — Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 11 — Joint Arrangement

Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply the equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly-controlled entity under HKAS 31. HKFRS 11 will be applied retrospectively with specific restatement requirements for a joint venture which changes from proportionate consolidation to the equity method.

HKFRS 12 — Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosure requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 — Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these pronouncements and the directors so far concluded that the application of these pronouncements will have no material impact on the Group's financial statements.

3. TURNOVER

Turnover, which is also the revenue, represents the amounts received and receivable for goods sold and provision of services to outside customers, net of returns and discounts and sales related taxes during the year.

4. SEGMENTAL INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has two 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; and

(ii) manufacture and trading of copper rods.

On 4 May 2010, the Group completed its acquisition of mining operation located in the State of Mongolia and became engaged in the mining business, details of which are set out in the Company's announcements dated 30 November 2009 and 4 May 2010, and circular dated 9 April 2010. However, no active operation took place since the date of acquisition and therefore the directors of the Company consider that the mining operation did not constitute a business segment as at 30 June 2013 and 2012 and for the years then ended for the purpose of segment reporting.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss)/profit, which is measure of adjusted (loss)/profit before taxation. The adjusted (loss)/profit before taxation is measured consistently with the Group's (loss)/profit before taxation except that interest income as well as head office and corporate expenses are excluded from such measurement.

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

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

For the year ended 30 June 2013

	Cables and wires *HK$'000*	Copper rods *HK$'000*	Others *HK$'000*	Total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue from external customers	201,381	397,305	2,925	601,611	—	601,611
Inter-segment revenue	—	71,456	—	71,456	(71,456)	—
Reportable segment revenue	201,381	468,761	2,925	673,067	(71,456)	601,611
Reportable segment loss	(29,670)	(5,707)	(368,720)	(404,097)	—	(404,097)
Finance costs	(3,480)	(9,747)	—	(13,227)	—	(13,227)
Change in fair value of derivative financial instruments	353	(688)	(5,050)	(5,385)	—	(5,385)
Change in fair value of financial assets at fair value through profit or loss	—	—	17,733	17,733	—	17,733
Change in fair value of investment properties, net	—	—	12,207	12,207	—	12,207
Impairment loss on mining right	—	—	(360,600)	(360,600)	—	(360,600)
Impairment loss recognised for doubtful debts, net	(169)	—	—	(169)	—	(169)
Share of results of jointly-controlled entities	—	—	(209)	(209)	—	(209)
Depreciation of property, plant and equipment	(11,081)	(5,664)	(9,928)	(26,673)	—	(26,673)
Taxation	145	231	(2,270)	(1,894)	—	(1,894)

For the year ended 30 June 2012

	Cables and wires *HK$'000*	Copper rods *HK$'000*	Others *HK$'000*	Total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue from external customers	205,766	407,097	—	612,863	—	612,863
Inter-segment revenue	—	76,112	—	76,112	(76,112)	—
Reportable segment revenue	205,766	483,209	—	688,975	(76,112)	612,863
Reportable segment (loss)/ profit	(61,463)	(35,392)	14,210	(82,645)	—	(82,645)
Finance costs	(3,226)	(13,664)	—	(16,890)	—	(16,890)
Write-back of provision for inventories	5,566	—	—	5,566	—	5,566
Change in fair value of derivative financial instruments	(9,491)	(4,865)	(6,731)	(21,087)	—	(21,087)
Change in fair value of financial assets at fair value through profit or loss	—	—	12,395	12,395	—	12,395
Change in fair value of investment properties, net	—	—	54,714	54,714	—	54,714
Impairment loss recognised for doubtful debts, net	(288)	—	—	(288)	—	(288)
Impairment loss on other receivables	—	(889)	—	(889)	—	(889)
Impairment loss on property, plant and equipment	(11,331)	(17,012)	—	(28,343)	—	(28,343)
Loss on disposal of an associate	—	—	(1,509)	(1,509)	—	(1,509)
Share of results of jointly-controlled entities	—	—	(10)	(10)	—	(10)
Share of results of an associate	—	—	(471)	(471)	—	(471)
Depreciation of property, plant and equipment	(13,578)	(7,621)	(9,440)	(30,639)	—	(30,639)
Taxation	674	(60)	(14,906)	(14,292)	—	(14,292)

As at 30 June 2013

	Cables and wires	Copper rods	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	**194,189**	**356,649**	**1,214,865**	**1,765,703**
Additions to non-current assets	**4,868**	**265**	**12,223**	**17,356**
Reportable segment liabilities	**84,233**	**218,216**	**6,173**	**308,622**

As at 30 June 2012

	Cables and wires	Copper rods	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	218,305	365,577	1,555,396	2,139,278
Additions to non-current assets	11,346	542	90,205	102,093
Reportable segment liabilities	74,546	211,890	3,864	290,300

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

	For the year ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Loss before taxation		
Reportable segment loss	**(404,097)**	(82,645)
Unallocated corporate expenses	**(9,080)**	(9,195)
Consolidated loss before taxation	**(413,177)**	(91,840)

	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**1,765,703**	2,139,278
Unallocated corporate assets	**74,975**	81,238
Consolidated total assets	**1,840,678**	2,220,516

	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**308,622**	290,300
Taxation	**157**	308
Deferred tax liabilities	**36,951**	35,119
Unallocated corporate liabilities	**127**	—
Consolidated total liabilities	**345,857**	325,727

(c) Geographical information

The Group's operations and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets (the "Specified non-current assets") are located in Hong Kong, the PRC, Americas, Europe and other Asian regions.

The following table provides an analysis of the Group's sales and the Specified non-current assets by geographical markets from continuing operations, irrespective of the origin of the goods:

	2013	2012
	HK$'000	*HK$'000*
PRC	**488,761**	501,753
Americas	**37,608**	40,686
Europe	**27,144**	23,225
Hong Kong	**22,264**	16,310
Other Asian regions	**25,834**	30,889
	601,611	612,863

	Specified non-current assets	
	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
PRC	**387,168**	390,113
Hong Kong	**25,397**	16,511
Mongolia	**927,628**	1,289,638
	1,340,193	1,696,262

(d) Information about major customers

During the year, no customer with whom the transactions exceed 10% of the Group's manufacturing and trading of cables and wires segment, whereas two customers, each of them contributed revenue of HK$98,174,000 and HK$64,532,000 respectively, to the Group's manufacturing and trading of copper rods segment.

During the prior year, no customer with whom the transactions exceed 10% of the Group's manufacturing and trading of cables and wires segment, whereas two customers, each of them contributed revenue of HK$126,020,000 and HK$81,795,000 respectively, to the Group's manufacturing and trading of copper rods segment.

5. LOSS BEFORE TAXATION

	2013 HK$'000	2012 HK$'000
Loss before taxation has been arrived at after charging:		
Auditor's remuneration	**1,280**	1,120
Depreciation of property, plant and equipment	**26,673**	30,639
Cost of inventories *(Note)*	**587,421**	605,339
Provision made/(write-back of provision for) for inventories	**70**	(5,566)
Charge of prepaid lease payments for land	**2,740**	2,691
Operating lease rentals in respect of rented premises	**712**	766
Impairment loss on other receivables	**—**	889
Written off of property, plant & equipment	**115**	—
Loss on disposal of property, plant and equipment, net	**—**	167
Wages, salaries and retirement benefit scheme contributions including directors' remuneration	**35,938**	35,545
Share-based payment expense	**—**	1,832
and after crediting:		
Rental income	**6,496**	3,230
Sale of scrapped inventories	**—**	1
Exchange differences, net	**5,989**	2,331

Note:

Cost of inventories includes HK$25,424,000 (2012: HK$26,676,000) relating to staff costs, depreciation of property, plant and equipment and charge of prepaid lease payments for land, for which the amounts are also included in the respective total amounts disclosed separately above. Cost of inventories also includes provision made for inventories of HK$70,000 (2012: net write-down of inventories of HK$5,566,000).

6. FINANCE COSTS

	The Group	
	2013 HK$'000	2012 HK$'000
Interest on bank and other borrowings wholly repayable within five years	**13,202**	16,860
Interest on finance leases	**25**	30
	13,227	16,890

7. TAXATION

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Hong Kong profits tax:		
Current year	**—**	—
Taxation in other jurisdictions:		
Current year	**314**	632
Under-provision in respect of prior years	**276**	1,031
	590	1,663
Deferred taxation	**1,304**	12,629
Tax for the year	**1,894**	14,292

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 years.

Taxation in other countries and jurisdictions is calculated at the rates applicable in the respective jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The domestic tax rate of principal subsidiaries in the PRC is used as it is where the operations of the Group are substantially based. The standard corporate income tax rate for enterprises in the PRC is 25%. Accordingly the applicable corporate income tax rate was 25% for the years ended 30 June 2013 and 2012.

8. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 30 June 2013 (2012: HK$Nil).

9. LOSS PER SHARE

The calculation of basic loss per share amounts is based on the loss for the year attributable to owners of the Company, and the weighted average number of shares in issue during the year, as adjusted to reflect the capital reorganisation during the year. Basic and diluted loss per share amounts for the year ended 30 June 2012 are restated to reflect the capital reorganisation during the current year.

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

Loss

	2013	2012
	HK$'000	*HK$'000*
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	**(415,071)**	(106,132)

Number of shares

	2013	2012 *(Restated)*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**157,144,497**	85,479,600

During the year ended 30 June 2012 and 2013, the Company did not have any significant dilutive potential ordinary shares.

10. INVESTMENT PROPERTIES

		The Group	
	Note	**2013** ***HK$'000***	2012 *HK$'000*
Fair value:			
At beginning of year		**119,564**	—
Additions on acquisition of subsidiaries*	*16(b)*	**—**	64,850
Fair value gains, net		**12,207**	54,714
At end of year		**131,771**	119,564

* *It comprised the acquisition consideration and costs directly attributable to the acquisition allocated to investment properties. Further details of the acquisition of subsidiaries which gave rise to the recognition of the investment properties above are set out in Note 16(b).*

Investment properties were valued at 30 June 2013 by Peak Vision Appraisals Limited ("Peak Vision"), an independent firm of professionally qualified valuers, who has 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 arrived at by capitalising the rental income derived from existing tenancies with due provision for any reversionary income potential of the tenancies. This valuation gave rise to net fair value gains of HK$12,207,000 (2012: HK$54,714,000) during the year.

The Group's carrying amount of investment properties is analysed as follows:

	2013 ***HK$'000***	2012 *HK$'000*
Situated in the PRC held under		
— medium term lease	**131,771**	112,238
— long term lease	**—**	7,326
	131,771	119,564

11. PREPAID LEASE PAYMENTS FOR LAND

		The Group	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Carrying amount:			
At beginning of year		**95,291**	96,707
Charge to the profit or loss for the year	*5*	**(2,740)**	(2,691)
Currency realignment		**3,237**	1,275
At end of year		**95,788**	95,291

The Group's carrying amount of the prepaid lease payments for land is analysed as follows:

	2013	2012
	HK$'000	*HK$'000*
Leasehold land situated in the PRC held under		
— medium term lease	**94,330**	93,789
Leasehold land situated in Hong Kong held under		
— medium term lease	**1,458**	1,502
	95,788	95,291
Analysed for reporting purposes as:		
Non-current	**93,001**	92,597
Current	**2,787**	2,694
	95,788	95,291

The Group has pledged prepaid lease payments for land with aggregate carrying amount as at 30 June 2013 of HK$93,414,000 (2012: HK$92,932,000) to secure banking facilities granted to the Group.

At 30 June 2013, the Group was in the process of obtaining the relevant title documents of certain of its land use rights with aggregate carrying amount of HK$34,552,000 (2012: HK$34,363,000).

12. MINING RIGHT

	The Group
	HK$'000
COST:	
At 1 July 2011	1,170,729
Currency realignment	(304)
At 30 June 2012 and 1 July 2012	1,170,425
Currency realignment	(418)
At 30 June 2013	1,170,007
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES:	
At 1 July 2011	6,214
Currency realignment	(7)
At 30 June 2012 and 1 July 2012	6,207
Impairment loss	360,600
Currency realignment	(10)
At 30 June 2013	366,797
NET CARRYING AMOUNT:	
At 30 June 2013	803,210
At 30 June 2012	1,164,218

The mining right represents the right to conduct mining activities in the location of Nergui, Delgerkhangai soum, Dundgobi aimag, the State of Mongolia, for a period of 30 years, expiring on 23 November 2039. The mining operating license is issued by the Mineral Resources Authority of the State of Mongolia. It is extendable by 2 successive 20 years each.

The mining right is subject to impairment review whenever there are indications that the mining right's carrying amount may not be recoverable.

In performing the impairment testing for the year, the directors of the Company have engaged Peak Vision in determining the recoverable amount of the mining right. Given the current development status of mining right, management has determined that recoverable amount of the mining right on a fair-value-less-costs-to-sell basis. The calculation has incorporated assumptions that a typical market participant would use in estimating mining right's fair value, which adopted cash flow projection for a period of 10 years and the post-tax discount rate applied to the cash flow projection is 19.9%. In determining the discount rate, the weighted average cost of capital was used, which is determined with reference to the Mongolia Bank Prime Loan Rate and has taken into account the average of the weight of debt of industry comparables. For the estimation of inflation rate, inflation rates relevant to the local Mongolian economy and the coal market are taken as reference.

Based on the above assessment, downward adjustment was noted on the estimated net cash inflows and the recoverable amount of the mining right. As at 30 June 2013, the carrying amount of the mining right was HK$1,163,810,000, which was higher than the recoverable amount of HK$803,210,000, resulting in an impairment loss of HK$360,600,000. The impairment loss is primarily due to revision of expected selling price of copper according to the prevailing market conditions and the delay in the mining plan and hence a delay in future cash inflow, which reduce the recoverable amount of the mine.

13. INTERESTS IN JOINTLY-CONTROLLED ENTITIES

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Share of net assets	**99,781**	99,990

During the year ended 30 June 2012, the Group acquired 10% equity interest in Venture Max Limited ("Venture Max") for a consideration of HK$100,000,000. Further details of the Group's acquisition of equity interest in Venture Max are set out in Note 16(a).

Particulars of the Group's jointly-controlled entities are as follows:—

Name of company	**Place of establishment and operation**	**Percentage of ownership interest/ profit sharing indirectly held by the Group**	**Principal activities**
Venture Max	British Virgin Islands	10% (direct)	Investment holding
Mongolian Copper Mining LLC	Mongolia	10% (indirect)	Mining business (not yet commenced)

The financial statements of the above companies are not audited by BDO Limited or any of its member firms.

The summarised financial information of the Group's jointly-controlled entities is as follows:

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Share of the jointly-controlled entities' assets and liabilities:		
Non-current assets	**101,520**	101,521
Current assets	**2**	49
Current liabilities	**(1,741)**	(1,580)
Share of net assets	**99,781**	99,990
Share of the jointly-controlled entities' results:		
Revenue	**—**	—
Expenses	**(209)**	(10)
	(209)	(10)
Taxation	**—**	—
Loss for the year	**(209)**	(10)

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

At 30 June 2013, included in the Group's debtors, other loans and receivables, deposits and prepayments were trade debtors of HK$74,077,000 (2012: HK$67,658,000).

(i) The Group allows an average credit period of 90 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:

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**71,069**	63,457
31—60 days	**2,344**	1,271
61—90 days	**593**	452
Over 90 days	**71**	2,478
	74,077	67,658

15. CREDITORS, OTHER ADVANCES AND ACCRUED CHARGES

At 30 June 2013, included in the Group's creditors, other advances and accrued charges were trade creditors of HK$22,668,000 (2012: HK$18,429,000).

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

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**17,600**	14,052
31—60 days	**2,788**	3,642
61—90 days	**1,005**	401
Over 90 days	**1,275**	334
	22,668	18,429

16. ACQUISITION OF INTERESTS IN JOINTLY-CONTOLLED ENTITIES AND SUBSIDIARIES

(a) On 5 July 2011, the Group entered into a sale and purchase agreement with Hero Wisdom Limited (the "Vendor"), pursuant to which the Group has conditionally agreed to acquire from the Vendor 10% equity interest in Venture Max, a company incorporated in the British Virgin Islands which holds exploration and mining permits in the State of Mongolia through Mongolian Copper Mining LLC ("MCM"), Venture Max's wholly-owned subsidiary incorporated in the State of Mongolia (Venture Max and MCM are collectively referred to as the "Venture Max Group"), at a cash consideration of HK$100,000,000. The acquisition was completed on 5 March 2012. Further details of the acquisition were set out in the announcements of the Company dated 5 July 2011 and 5 March 2012.

Notwithstanding that the Group holds 10% equity interest in the Venture Max Group, there is a contractual arrangement between the Group and the Vendor such that the economic activities of the Venture Max Group is subject to the joint control of the Group and the Vendor and none of them has unilateral control over the economic activities of the Venture Max Group. Accordingly, the Venture Max Group is accounted for as the Group's jointly-controlled entities.

Under Hong Kong Financial Reporting Standard 3 (revised) "Business Combinations" ("HKFRS 3"), an entity shall determine whether a transaction or other event is a business combination by applying the definition of HKFRS 3, which requires that the assets acquired and liabilities assumed constitute a business. Given the fact that technical report and mining plan of the Venture Max Group's mine have not been finalised and the Venture Max Group have not involved in any mining activity up to the completion date of the acquisition, the Venture Max Group is not considered as a business under the definition of HKFRS 3 by the directors of the Company. In this regard, the initial measurement of the Group's interests in the Venture Max Group would be the allocation of the consideration in proportionate to the fair value of the assets and liabilities of the Venture Max Group.

(b) On 12 December 2011, the Group entered into an agreement pursuant to which the Group agreed to acquire the entire issued share capital of Santai Electronics Limited ("Santai"), a company incorporated in Hong Kong, at a total cash consideration of RMB43,000,000 (equivalent to approximately HK$52,614,000) (the "Santai Acquisition"). Santai is the beneficial owner of the land use rights of an industrial complex located in Dongguan City, the PRC (the "Santai Property") through its wholly-owned subsidiary, Dongguan Santai Electrical Appliances Co., Limited ("Dongguan Santai"). Santai and Dongguan Santai are collectively referred to as the "Santai Group".

On the same date, the Group entered into an agreement pursuant to which the Group agreed to acquire the entire issued share capital of Aberdeen Investments Limited ("Aberdeen"), a company incorporated in Samoa, at a total cash consideration of RMB10,000,000 (equivalent to approximately HK$12,236,000) (the "Aberdeen Acquisition"). Aberdeen is the legal and beneficial owner of certain property units in Dongguan City, the PRC (the "Aberdeen Property").

Santai and Aberdeen are wholly-owned subsidiaries of Shougang Concord Technology Holdings Limited whose shares are listed on the Stock Exchange. Both of the Santai Acquisition and the Aberdeen Acquisition were completed on 22 June 2012, further details of which are set out in the Company's announcements dated 12 December 2011 and 22 June 2012.

In the opinion of the directors of the Company, the Santai Property and the Aberdeen Property and the related activities of the acquirees are not indicative of businesses, and therefore the Santai Acquisition and the Aberdeen Acquisition are not considered as business combinations under the definition of HKFRS 3. Accordingly the Santai Acquisition and the Aberdeen Acquisition are considered as acquisitions of assets (i.e. mainly investment properties). In this regard, the initial measurement of assets and liabilities acquired would be the allocation of the total consideration based on their relative fair values.

Based on the foregoing, the Santai Acquisition and the Aberdeen Acquisition gave rise to the additions of investment properties of HK$64,850,000 at the completion date.

Total cash outflow for the Santai Acquisition and the Aberdeen Acquisition during the prior year was the total consideration of HK$64,850,000 paid in cash.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board announced that for the year ended 30 June 2013 (the "**year under review**"), the total turnover of the Group was approximately HK$601,611,000, representing an decrease of 1.8% as compared to approximately HK$612,863,000 for the corresponding period last year. During the year under review, loss attributable to the owners of the Company was approximately HK$415,071,000 as compared to loss attributable to the owners of the Company of approximately HK$106,132,000 for the corresponding period last year. Loss per share for the year under review was approximately HK$2.64 (Loss per share for 2011/12: HK$1.24).

BUSINESS REVIEW

The Group's turnover for the year under review was approximately HK$601,611,000, representing a decrease of 1.8% as compared to approximately HK$612,863,000 for the corresponding period last year. By business segments, the turnover of the cables and wires business was approximately HK$201,381,000, representing a decrease of 2.1% as compared to approximately HK$205,766,000 for the corresponding period last year and accounted for 33.5% of the total turnover of the Group. Turnover of the copper rod business was approximately HK$397,305,000, representing a decrease of 2.4% as compared to HK$407,097,000 for the corresponding period last year and accounted for 66.0% of the total turnover of the Group.

By geographical segments, turnover from the business in the Americas dropped by 7.6% to approximately HK$37,608,000 from approximately HK$40,686,000 for the corresponding period last year, accounting for 6.3% of the Group's total turnover. Turnover from the business in Mainland China and Hong Kong decreased by 1.4% to approximately HK$511,025,000 from approximately HK$518,063,000 for the corresponding period last year, accounting for 84.9% of the Group's total turnover. Turnover from the business in other Asian markets decreased by 16.4% to approximately HK$25,834,000 from approximately HK$30,889,000 for the corresponding period last year, accounting for 4.3% of the Group's total turnover. Turnover from the European business increased by 16.9% to approximately HK$27,144,000 from approximately HK$23,225,000 for the corresponding period last year, accounting for 4.5% of the Group's total turnover.

Cables and Wires

The major customers of the Group's cables and wires business are primarily manufacturers of white domestic appliances. During the year under review, while the overall global economy was on track for a mild recovery, the economy of Mainland China maintains its growth at a stable yet reduced pace. With the Group's effort to reduce costs and increase efficiency during the year under review, we have overall improved profit margins.

The Group owned certain interests in land, factories and residential units in Mainland China. Among which, the acquisition of Santai Industrial Zone, with an area of approximately 72,000 sq.m., in Changping Town, Dongguan City, was completed last year and the property has been held for lease and generates steady rental income for the Group.

In light of the "Three Olds Reform" scheme implemented by the People's Government of Guangdong Province aiming to transform old towns, old factories and old villages to accompany the rapid economic and social development, the Group intends to make an application to transform the Santai Industrial Zone under the "Three Olds Reform" scheme. It is planned that the nature of the Zone will be changed from industrial to commercial and residential after the transformation. By then, it will be surrounded by three-sided waterfronts and becomes a small, hustle and bustle commercial and residential district with a touch of tranquility. Since the initial application procedures are complicated and involve numerous governmental departments, the Group is proactively preparing for the project.

Copper Rod Business

The copper rod business comprises the manufacturing and trading of copper rods and copper wires and related products, which are primarily used in the production of electric wires or cables for domestic appliances, electronic products and power supply in infrastructure facilities. During the year under review, international copper prices dropped significantly, with the 3-month London Metal Exchange copper price falling from approximately US$7,600 at the beginning of the year to approximately US$7,000 at the end of the year. The Group was cautious towards its inventory and deployed most of the capacity of its copper rod business in Dongguan to provide processing services for customers.

Mining

The Group has been engaging in mining business since 2010. During the year under review, the State of Mongolia implemented the new Foreign Investment Act, including the prohibition of mineral exploration and mining operations in headwaters, reservoir preservation areas and forest regions. A new draft minerals act is also in the course of consultation for revision, which focuses on the regulations governing mineral resources in order to control or impose limited restrictions on the prosperous mining industry. The Group expects that the time required to obtain necessary approval for developing copper mine projects would increase in the future.

The global mining industry entered into a downturn since the third quarter of last year. According to the latest statistics released by the Mongolian Ministry of Economic Development, direct foreign investments of the State of Mongolia decreased by approximately 43% during the first half of 2013, among which direct investments in geology, mining and petroleum industries decreased by a third.

The Copper Mine Project in Dundgobi Aimag

During the year under review, the demand for copper in China and international markets was affected by various factors, among which, the tight monetary policy of the Chinese government slowed down the overall economic growth. Coupled with the mild global economic recovery and lingering impacts of the financial crisis in Europe, international copper prices dropped by approximately 8% to approximately US$7,000 per ton during the year. In addition, the latest pre-feasibility report revealed an increase in capital expenditure and operating costs. Within the scope of the capital expenditure budget, the maximum capacity of the project was adjusted to 20,000 tons per year from the original 30,000 tons per year. The Group also needs additional time for preparation before mining operations. These factors have also affected the future cash flow valuation model of mining right and resulted in recognition of an impairment loss of HK$360,600,000 on mining right during the year. The Group believed that the estimates and assumptions adopted in the impairment analysis were reasonable. The major estimates and assumptions used in the valuation model included capital expenditure, international copper prices, output over the life of the mine, operating costs, discount rate, etc.

Our subsidiary in Mongolia has completed the necessary environmental impact evaluation report and quarry extraction planning report before mining. It has to further carry out hydrogeological works in the mining area. Those works include impact evaluation of topography, climate, characteristics of surface water, characteristics of water aquifer and aquiclude, geological structure and fault belt on deposit water filling. The Group will also seek suitable partners to cooperate in the development and construction of Dundgobi Aimag copper mine project.

The Copper Mine Project in Bayan-Ulgii Aimag

The development of the copper mine project in Bayan-Ulgii Aimag, Mongolia, which the Group owned a 10% equity interest, had been progressing slowly. Pursuant to the sale and purchase agreement and the supplementary agreement, the preparation of the technical report in respect of the mineral resources of the mine and the final valuation report of Mongolian Copper Mining LLC ("MCM"), which is a company incorporated in the State of Mongolia with limited liability and the holder of the mining licence for an area of 527.4 hectares, has to be completed on or before 30 April 2013. During the year under review, we introduced a national enterprise engaging in the survey and design and resource development of non-ferrous metals such as gold, silver, copper and molybdenum to carry out additional exploitation work for the project. Such experts preliminarily advised that the scale and potential value of the mineral reserves were large, however the geological conditions of the mining area were complex. As this mine is located in north-west Mongolia, the annual workload is largely subject to weather, and therefore the time required to complete additional exploitation work is uncertain. On 29 April 2013, the purchaser and the seller agreed to adopt the exploitation report dated 15 May 2011 prepared by the Mongolian consultants and the valuation report dated 28 February 2013 in respect of the mine to be the final valuation report. It showed that valuation of MCM amounted to US$177,770,000, which was higher than the amount of US$175,200,000 revealed in the preliminary valuation report. As a result, adjustment of consideration was not required and such acquisition was considered completed. The Directors are of the view that this agreement in relation to the final valuation report is in the interests of the Company and the Shareholders as a whole. Details regarding the interests of this jointly-controlled entity were set out in note 13 to the Financial Statements.

PROSPECTS

During the year under review, with a slow recovery in the global economy and the steady improvement in US economy and employment, the PRC economy is expected to remain a moderate growth. The foremost economic task for the PRC government is the reform of domestic economic structures to increase reliance on domestic demand rather than on exports. Therefore, the Group remains optimistic towards the prospects of the Mainland China market, and will continue to base its businesses of manufacturing and trading of cables, wires and copper products in the Mainland China.

In the second half of 2012, Dongguan Xin Bao Precision Chemical Company Limited, a subsidiary of the Group, began using molecular distillation technology to produce biodiesel (fatty acid methyl ester), which is a renewable energy. The project applies waste oil and greases as raw materials for production, which complies with China's relevant requirements to vigorously develop the recycling and low-carbon economy as well as building a resource-efficient and environmentally friendly society. The project is one of the major renewable energy projects encouraged and supported by the State and enjoys tax incentives such as consumption tax relief and preferential enterprise income tax provided by the state to the industry. As prices of petrochemical diesel are rising due to a shortage of supply in the current market, profit margins for biodiesel are becoming higher as a result. This project has officially commenced production in the second quarter of 2013 with an expected annual output of up to 50,000 tons in the future.

Looking forward, in the face of a mild recovery of the global economy, the Group has effectively devised measures for further cost control, market expansion and allocation of existing resources to increase rental income at the end of last year. We expect to improve the Group's profit next year through the introduction of Xin Bao's new business, stabilization of existing businesses and increasing rental income.

FINAL DIVIDEND

The Directors resolved not to pay any final dividend for the year ended 30 June 2013.

ANNUAL GENERAL MEETING

The 2013 Annual General Meeting of the Company (the "**2013 Annual General Meeting**") will be held on Thursday, 28 November 2013.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders who are entitled to attend and vote at the 2013 Annual General Meeting, the register of members of the Company will be closed from Monday, 25 November 2013 to Wednesday, 27 November 2013, both days inclusive, during which no transfer of shares of the Company will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Friday, 22 November 2013.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, the Group had approximately 1,100 employees in Hong Kong, the People's Republic of China ("**PRC**") and overseas (30 June 2012: 1,100). 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.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

During the year ended 30 June 2013, the Group implemented a prudent financial management policy. As at 30 June 2013, the Group had cash and bank balances (including pledged bank deposits) amounting to approximately HK$176 million (30 June 2012: HK$240 million) and net current assets value being approximately HK$192 million (30 June 2012: HK$234 million). The Group's gearing ratio as at 30 June 2013 was 0.12 (30 June 2012: 0.07), being a ratio of total borrowings of approximately HK$178 million (30 June 2012: HK$139 million) to shareholders' funds of approximately HK$1,495 million (30 June 2012: HK$1,895 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 fluctuations in the Renminbi exchange rate and any exchange risks.

CHARGES ON GROUP ASSETS

As at 30 June 2013, the Group had pledged certain property, plant and machinery, land use rights and fixed bank deposits with an aggregate net book value of approximately HK$218 million (30 June 2012: HK$241 million) to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2013, the Company had issued guarantees to the extent of approximately HK$19.5 million (30 June 2012: HK$18.5 million) to banks to secure general banking facilities granted to its subsidiaries, of which, approximately HK$19.5 million (30 June 2012: HK$18.5 million) was utilised. The Company had issued guarantees to a financial institution amounting to approximately HK$23.3 million (30 June 2012: HK$23.3 million) in respect of commodity trading of copper by its subsidiaries.

Financial Instruments for Hedging Purposes

For the year under review, the Group entered into copper forward contracts ("**Derivative Financial Instruments**") to manage copper price risks. The Group's overall financial risk management is to ensure that transactions undertaken by the Group are in accordance with the Group's policies and not for speculative purposes. The outstanding Derivative Financial Instruments had been revalued and stated at their fair value as at 30 June 2013 and the changes in fair value were charged to the income statement. The net loss of the Derivative Financial Instruments for the year under review was approximately HK$5,385,000 (2011/12: net loss of HK$21,087,000).

CAPITAL STRUCTURE

Capital Reorganisation

On 8 October 2012, the Board announced that the Company proposed to implement a reorganisation of the share capital of the Company (the "**Capital Reorganisation**") which involved (a) a consolidation of every twenty issued Shares of HK$0.01 each into one consolidated share of HK$0.20 each (the "**Consolidated Share**"); and (b) a reduction in the nominal value of the issued Consolidated Shares from HK$0.20 to HK$0.01 each by cancelling the paid-up capital to the extent of HK$0.19 on each of the issued Consolidated Share (the "**Capital Reduction**"). The credit of approximately HK$26,333,000 arising from the Capital Reduction would be transferred to the contributed surplus account of the Company such that the Company may apply such surplus in any manner permitted by the laws of Bermuda and the Bye-laws including but not limited to setting off against accumulated losses of the Company.

The Board believed that the Capital Reorganisation was beneficial to the Company and the shareholders as a whole. The Board was of the opinion that the Capital Reorganisation would provide the Company with greater flexibility for equity funding raising in the future and the credit in the contributed surplus account arising as a result of the Capital Reorganisation would enable the Company to apply part of the amount standing to the credit of its contributed surplus account to eliminate the accumulated losses of the Company and this would facilitate the payment of dividends as and when the Directors consider it appropriate in the future.

The Capital Reorganisation was approved by the shareholders of the Company at the special general meeting of the Company held on 14 November 2012 and became effective on 15 November 2012. Details of the Capital Reorganisation were set out in announcements of the Company dated 8 October 2012 and 14 November 2012 and the shareholders' circular issued by the Company on 22 October 2012.

First Placing of New Shares under General Mandate

On 29 November 2012, the Company and Kingston Securities Limited, as placing agent, entered into a placing agreement pursuant to which the Company conditionally agreed to place through the placing agent, on a best effort basis, up to 17,650,000 new shares of the Company to independent investors at a price of HK$0.375 per placing share (the "**First Placing**"). The First Placing was completed on 10 December 2012. The maximum number of 17,650,000 placing shares placed under the First Placing were issued under the general mandate which was granted to the Directors at the annual general meeting of the Company held on 2 December 2011. The gross and net proceeds from the First Placing amounted to approximately HK$6.62 million and approximately HK$6.25 million, respectively. The net proceeds have been fully utilised for repayment of the trust receipt loans of the Group. The net proceeds raised per placing share was approximately HK$0.354 per share. The closing market price of the shares on the Stock Exchange was HK$0.445 per share on 29 November 2012. Further details of the First Placing were set out in the announcements of the Company dated 29 November 2012 and 10 December 2012.

Second Placing of New Shares under General Mandate

On 7 March 2013, the Company and Kingston Securities Limited, as placing agent, entered into a placing agreement pursuant to which the Company conditionally agreed to place through the placing agent, on a best effort basis, up to 31,240,000 new shares of the Company to independent investors at a price of HK$0.40 per placing share (the "**Second Placing**"). The Second Placing was completed on 20 March 2013. The maximum number of 31,240,000 placing shares placed under the Second Placing were issued under the general mandate which was granted to the Directors at the annual general meeting of the Company held on 18 December 2012. The gross and net proceeds from the Second Placing amounted to approximately HK$12.5 million and approximately HK$12.18 million, respectively. The net proceeds have been fully utilised for repayment of the trust receipt loans the Group. The net proceeds raised per placing share was approximately HK$0.39 per share. The closing market price of the shares on the Stock Exchange was HK$0.47 per share on 7 March 2013. Further details of the Second Placing were set out in the announcements of the Company dated 7 March 2013 and 20 March 2013.

Placing of New Shares under Specific Mandate

On 27 May 2013, the Company and Kingston Securities Limited, as placing agent, entered into a conditional placing agreement pursuant to which the Company conditionally agreed to place through the placing agent, on a best effort basis, up to 75,000,000 new shares of the Company to independent investors at a price of HK$0.30 per placing share (the "**Placing**"). The maximum gross proceeds and net proceeds from the Placing were approximately HK$22.5 million and HK$21.7 million respectively. The Company has intended to utilise approximately HK$12.0 million for plant and machinery and working capital of the new production lines of the Project and approximately HK$9.7 million for repayment of trust receipt loan of the Group. The maximum number of 75,000,000 placing shares placed under the Placing were issued pursuant to a specific mandate which was granted to the Directors at the special general meeting of the Company held on 3 July 2013. The Placing was completed on 9 August 2013. Details of the Placing were set out in the announcements of the Company dated 27 May 2013 and 9 August 2013 and the shareholders' circular issued by the Company on 10 June 2013.

SIGNIFICANT INVESTMENT

The Group did not make any new significant investment during the year under review and the Group does not have any other plans for material investments or capital assets as at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

To raise capital for the Company while broadening its shareholder and capital base, the Company conducted the First Placing and the Second Placing during the year ended 30 June 2013.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the year ended 30 June 2013.

COMPLIANCE WITH THE CODE PROVISIONS

During the year under review, the Company has complied with the Corporate Governance Code and Corporate Governance Report (the "**Code**") as set out in Appendix 14 to the Listing Rules, save and except for the deviations from Code provisions A.2.1, A.4.1, A.4.3 and A.6.7 which are explained below.

Code provision A.2.1

Under Code provision A.2.1, the role of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

During the year under review, Mr. Chau Lai Him 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 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 in the development of the Group and implementation of business strategies under the leadership of Mr. Chau.

Code provision A.4.1

Under Code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election.

The existing independent non-executive directors of the Company were not appointed for a specific term as required under Code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures are in place to ensure that the non-executive directors of the Company are subject to appropriate mechanisms to avoid holding office indefinitely.

Code provision A.4.3

Under Code provision A.4.3, if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders of the Company.

Mr. Lo Wai Ming has served as an independent non-executive director of the Company for more than nine years since 6 January 2000. In accordance with the Bye-laws of the Company, Mr. Lo retired from office by rotation at the 2012 annual general meeting of the Company (the "**2012 AGM**") which was held on 18 December 2012 and offered himself for re-election at the 2012 AGM. An ordinary resolution was passed at the 2012 AGM to approve the appointment of Mr. Lo Wai Ming as an independent non-executive director of the Company.

Mr. Chung Kam Kwong has been an independent non-executive director of the Company for more than nine years since 1 March 2003. He will retire from office by rotation at the forthcoming annual general meeting of the Company (the "**2013 AGM**") in accordance with the Bye-laws of the Company and, being eligible, will offer himself for re-election at the 2013 AGM. A separate resolution will be proposed at the 2013 AGM to approve the appointment of Mr. Chung Kam Kwong as an independent non-executive director of the Company. The Board considers that Mr. Chung remains independent in character and judgment and the Board has found no information or circumstances to lead it to conclude otherwise.

Code provision A.6.7

Under Code provision A.6.7, non-executive directors should attend general meetings of the Company and develop a balanced understanding of the views of shareholders.

Mr. Chung Kam Kwong and Mr. Lo Chao Ming, independent non-executive Directors, were unable to attend the 2012 AGM due to their commitment in their own businesses.

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.

AUDIT COMMITTEE

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. The Audit Committee has adopted terms of reference which are in line with the code provisions set out in Appendix 14 to the Listing Rules. The Audit Committee and external auditors have reviewed the audited results for the year ended 30 June 2013 and they agreed with the accounting treatment adopted. The Audit Committee is satisfied with the Group's internal control procedure and financial reporting disclosures.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the three independent non-executive directors of the Company. It has adopted terms of reference which are in line with the code provisions set out in Appendix 14 to the Listing Rules. The duties of the Remuneration Committee include reviewing and evaluating the remuneration packages of executive directors and senior management and making recommendations to the Board from time to time.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of conduct regarding Directors' securities transactions. Having made specific enquiries with all of the Directors, each of the Directors confirmed that he had complied with the required standards set out in the Model Code throughout the year ended 30 June 2013.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, staff and management for their continuous dedication, commitment and support in the past year.

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

Hong Kong SAR, 27 September 2013

As at the date of this announcement, the executive Directors are Mr. Chau Lai Him, Mr. Zhou Jin Hua, Mr. Liu Dong Yang and Mr. Buyan-Otgon Narmandakh and the independent non-executive Directors are Mr. Lo Wai Ming, Mr. Chung Kam Kwong and Mr. Lo Chao Ming.