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SOLARTECH INTERNATIONAL HOLDINGS LIMITED

星凱控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every twenty (20) issued and unissued Existing Shares in the share capital of the Company will be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM. As at the date of this announcement, there are 2,374,532,340 Existing Shares in issue which are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming no further Shares will be issued or repurchased or surrendered from the date of this announcement up to the effective date of the Share Consolidation, there will be 118,726,617 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$500,000,000 but will be divided into 2,500,000,000 Consolidated Shares of par value of HK\$0.20 each.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 20,000 Existing Shares. The Board proposes that, subject to and upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 20,000 Existing Shares to 10,000 Consolidated Shares.

* For identification purposes only

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation and the Change in Board Lot Size and the notice convening the SGM is expected to be despatched to the Shareholders on or before Friday, 22 March 2024.

The Share Consolidation is conditional upon the fulfilment of certain conditions set out in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every twenty (20) issued and unissued Existing Shares in the share capital of the Company will be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 50,000,000,000 Shares of par value of HK\$0.01 each, and there are 2,374,532,340 Existing Shares in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and assuming no further Shares will be issued or repurchased or surrendered from the date of this announcement up to the effective date of the Share Consolidation, there will be 118,726,617 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$500,000,000 but will be divided into 2,500,000,000 Consolidated Shares of par value of HK\$0.20 each.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other, and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

As at the date of this announcement, there are no outstanding share options to subscribe for Shares under the share option scheme adopted by the Company on 5 December 2022. Save as disclosed above, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Shares.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of Bermuda and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Monday, 15 April 2024.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

PROPOSED CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading from 20,000 Existing Shares to 10,000 Consolidated Shares per board lot upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.03 per Existing Share (equivalent to the theoretical closing price of HK\$0.6 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 20,000 Existing Shares is HK\$600; (ii) the value of each board lot of 20,000 Consolidated Shares would be HK\$12,000 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 10,000 Consolidated Shares would be HK\$6,000 on the assumption that the Change in Board Lot Size had also become effective.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Rule 13.64 of the Listing Rules states that where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities.

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guide**”) further states that any trading price of the securities less than HK\$0.10 will be considered as approaching the extremities as referred to under Rule 13.64 of the Listing Rules. The Guide also states that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000. As at the date of this announcement, the closing price of each Existing Share is HK\$0.03, with a board lot size of 20,000 Existing Shares, the Company is trading under HK\$2,000 per board lot.

Considering the recent trading price of the Shares, the Board has determined that implementing the Share Consolidation and Change in Board Lot Size is necessary to ensure compliance with the trading requirements under the Listing Rules. It is expected that the Share Consolidation, together with the Change in Board Lot Size, will increase the value of each board lot of the Consolidated Shares to more than HK\$2,000. Such action is aimed at reducing the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most banks/securities houses will charge a minimum transaction cost for each securities trade. Through the corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that the Share Consolidation and Change in Board Lot Size will enhance the appeal of investing in the Shares to a wider range of investors. This, in turn, is expected to broaden the shareholder base of the Company.

Furthermore, it is expected that the value of each board lot of the Consolidated Shares will substantially increase if the board lot size remains unchanged at 20,000 Shares. It is believed that the Change in Board Lot Size to 10,000 Consolidated Shares upon the Share Consolidation becoming effective would improve the liquidity of the Consolidated Shares.

As at the date of this announcement, the Company has no concrete plans to carry out other corporate actions or conduct any equity fundraising which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next 12 months. However, the Directors will not rule out the possibility of any fundraising activities which may be considered reasonably necessary for the Group to raise funds to meet its operational needs or

for the Group's future development. The Directors will carefully evaluate the potential impact on the Shareholders prior to proceeding with any fundraising activities, and the Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation will not, by itself, alter the underlying assets, business operation, management or financial position of the Group or the proportionate interests or rights of the Shareholders. Accordingly, the Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

OTHER ARRANGEMENTS

Entitlement of fractional Consolidated Shares

Fractional Consolidated Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Monday, 15 April 2024, Shareholders may on or after Monday, 15 April 2024 and until Thursday, 23 May 2024 (both days inclusive), submit their existing share certificates in purple colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

for exchange for new share certificates in brown colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.5 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of new share certificates.

After 4:10 p.m. on Tuesday, 21 May 2024, trading will only be in Consolidated Shares which share certificates will be issued in brown colour. Existing share certificates in purple colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Despatch date of circular with notice of the SGM On or before
Friday, 22 March 2024

Latest time for lodging transfers of shares in
order to qualify for attendance and voting at the SGM 4:30 p.m. on
Friday, 5 April 2024

Closure of register of members
for determining the entitlement to attend and vote at the SGM
(both days inclusive) Monday, 8 April 2024 to
Thursday, 11 April 2024

Latest time for lodging forms of proxy for the SGM 11:00 a.m. on
Tuesday, 9 April 2024

Date and time of the SGM 11:00 a.m. on
Thursday, 11 April 2024

Publication of the announcement of the results of the SGM Thursday, 11 April 2024

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation and Change in Board Lot as set out in this announcement.

Effective date of the Share Consolidation	Monday, 15 April 2024
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares.	Monday, 15 April 2024
Dealing in the Consolidated Shares commences	9:00 a.m. on Monday, 15 April 2024
Original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 15 April 2024
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 15 April 2024
Original counter for trading in the Consolidated Shares in new board lots of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens.	9:00 a.m. on Monday, 29 April 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Monday, 29 April 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares.	9:00 a.m. on Monday, 29 April 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares.	4:00 p.m. on Tuesday, 21 May 2024

Temporary counter for trading in the Consolidated Shares
in board lots of 1,000 Consolidated Shares
(in the form of existing share certificates) closes 4:10 p.m. on
Tuesday, 21 May 2024

Parallel trading in the Consolidated Shares
(in the form of new share certificates for
the Consolidated Shares and existing share certificates) ends 4:10 p.m. on
Tuesday, 21 May 2024

Last day for free exchange of existing share certificates for
new share certificates for the Consolidated Shares 4:30 p.m. on
Thursday, 23 May 2024

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation and the Change in Board Lot Size and the notice convening the SGM is expected to be despatched to the Shareholders on or before Friday, 22 March 2024.

The Share Consolidation is conditional upon the fulfilment of certain conditions set out in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as may be amended or modified from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares

“Company”	Solartech International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 1166)
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.20 each in the share capital of the Company after the Share Consolidation becomes effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becomes effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company together with its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company convened to be held for the purpose of considering and, if thought fit, approving the proposed Share Consolidation
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the issued Shares of the Company

“Share(s)” the Existing Share(s) or as the context may require, the Consolidated Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 4 March 2024

As at the date of this announcement, the executive Directors are Mr. Chau Lai Him, Mr. Chau Chi Ho and Mr. Liu Dong Yang and the independent non-executive Directors are Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming.