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## **SOLARTECH INTERNATIONAL HOLDINGS LIMITED**

**榮盛科技國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1166)**

### **TOP-UP PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION FOR NEW SHARES**

**Placing Agent**



**KINGSTON SECURITIES LIMITED**

#### **PLACING AND SUBSCRIPTION**

On 15 June 2009 (after trading hours), the Vendor, the Company and the Placing Agent entered into the Top-up Placing and Subscription Agreement whereby the Vendor has appointed the Placing Agent and the Placing Agent has agreed to act as placing agent for the purpose of procuring, as agent of the Vendor, on a fully underwritten basis, purchasers for the Top-up Placing Shares, being 120,000,000 Shares, at the Top-up Placing Price of HK\$0.066 per Share. Pursuant to the Top-up Placing and Subscription Agreement, the Vendor has also conditionally agreed to subscribe for, and the Company has agreed to allot and issue to the Vendor, the Top-up Subscription Shares, being 120,000,000 new Shares, at the Top-up Placing Price within 14 days after the date of the Top-up Placing and Subscription Agreement.

The Top-up Placing Shares represent 3.98% of the Company's existing issued share capital as at the date of the Top-up Placing and Subscription Agreement. The Top-up Subscription Shares will represent approximately 3.82% of the issued share capital of the Company as enlarged by the issue of the Top-up Subscription Shares (assuming that there is no change in its issued share capital from the date of this announcement to the completion of the Top-up Subscription save for the issue of the Top-up Subscription Shares).

\* for identification purpose only

As at the date of the Top-up Placing and Subscription Agreement, the Vendor held approximately 26.91% of the existing issued share capital of the Company. The shareholding of the Vendor in the issued share capital of the Company immediately after completion of the Top-up Placing but before completion of the Top-up Subscription will be reduced from approximately 26.91% to approximately 22.93%, and will then be increased to approximately 25.88% immediately after completion of the Placing and the Subscription.

The Top-up Placing and the Top-up Subscription are effected to raise funds for the long-term benefit of the Company. The Company intends to use the estimated net proceeds of the Top-up Subscription of approximately HK\$7.65 million for general working capital.

Completion of the Top-up Subscription is subject to the satisfaction of certain conditions as set out below, including completion of the Top-up Placing. If these conditions are not fulfilled, the Subscription will not proceed.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.**

## **TOP-UP PLACING AND SUBSCRIPTION AGREEMENT**

### **Date:**

15 June 2009 (after trading hours)

### **Parties:**

- (i) the Vendor;
- (ii) the Company; and
- (iii) the Placing Agent.

As at the date of this announcement, the Vendor held 812,211,488 Shares, representing approximately 26.91% of the existing issued share capital of the Company which comprises 3,018,271,810 Shares.

## **THE TOP-UP PLACING**

### **Placing Agent**

The Placing Agent has agreed to act as placing agent for the purpose of procuring, as agent of the Vendor, on a fully underwritten basis, purchasers for the Top-up Placing Shares.

The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Top-up Placing Shares being placed, which was arrived at after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the placing commission is fair and reasonable and is on normal commercial terms. The Placing Agent and its ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules).

**Number of Top-up Placing Shares:**

120,000,000 Shares, representing approximately 3.98% of the Company's existing issued share capital as at the date of the Top-up Placing and Subscription Agreement, to be placed by the Placing Agent.

**Placees:**

It is expected that there will be not less than six Placees, and the Placees (and their ultimate beneficial owner(s), if applicable) will be third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Group.

**Top-up Placing Price:**

HK\$0.066 per Top-up Placing Share, representing:

- (i) a discount of approximately 16.46% to the closing price of HK\$0.079 per Share as quoted on the Stock Exchange on 15 June 2009, being the date of the Top-up Placing and Subscription Agreement;
- (ii) a discount of approximately 19.51% to the average closing price of HK\$0.082 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 12 June 2009;
- (iii) a discount of approximately 17.50% to the average closing price of HK\$0.080 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 12 June 2009; and
- (iv) a discount of approximately 12.00% to the average closing price of HK\$0.075 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days up to and including 12 June 2009.

The Top-up Placing Price was determined after arm's length negotiations among the Company, the Vendor and the Placing Agent with reference to recent trading prices of the Shares. The Board considers that the Top-up Placing Price is fair and reasonable.

Assuming all the Top-up Placing Shares are placed under the Top-up Placing and Subscription Agreement, after deduction of the placing commission and other costs and expenses, the net proceeds from the Top-up Placing will be approximately HK\$7.7 million, and the net Placing Price will be approximately HK\$0.064 per Placing Share.

**Rights:**

The Top-up Placing Shares are sold free from all liens, charges and encumbrances and together with the rights attaching to them, including the right to receive all dividends declared, made or paid after the date of the Top-up Placing and Subscription Agreement.

### **Independence of the Placing Agent and the Placees:**

To the best of the knowledge, information and belief of the Directors and the Vendor's directors having made reasonable enquiries, as at the date of this announcement, the Placees and (where applicable) their ultimate beneficial owner(s) as well as the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Group.

The Company currently anticipates that none of the Placees will become a holder of 10% or more of the issued share capital of the Company immediately after completion of Top-up Placing.

### **Completion of the Top-up Placing:**

19 June 2009 or such later time and/or date as the Vendor and the Placing Agent may agree in writing. The Top-up Placing is not subject to the fulfillment of any conditions.

### **Termination:**

#### *Termination of the Top-up Placing:*

- (i) Unless otherwise agreed among the Parties, the Placing Agent's appointment shall terminate upon the earlier of (a) Completion and (b) termination of the Top-up Placing by the Placing Agent in accordance with the terms and conditions of the Top-up Placing and Subscription Agreement, whereby the Company and the Vendor will be formally notified by the Placing Agent in writing in accordance with the terms of the Top-up Placing and Subscription Agreement.
- (ii) The Placing Agent reserves its right to terminate the arrangements set out in the Top-up Placing and Subscription Agreement by notice in writing prior to 10:00 a.m. on the Placing Completion Date, if in the absolute opinion of the Placing Agent, the success of the Top-up Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Top-up Placing and Subscription Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or

the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Top-up Placing Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Vendor or the Company or the Placing Agent to proceed with the Top-up Placing; or

(c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which would materially affect the success of the Placing (such success being the placing of the Top-up Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

(iii) Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Top-up Placing and Subscription Agreement, save for any antecedent breaches.

## **THE TOP-UP SUBSCRIPTION**

### **Subscriber:**

The Vendor

### **Issuer:**

The Company

### **Number of Top-up Subscription Shares:**

120,000,000 new Shares, representing 3.98% of the issued share capital of the Company as at the date of the Top-up Placing and Subscription Agreement and approximately 3.82% of the issued share capital of the Company as enlarged by the issue of the Top-up Subscription Shares (assuming that there is no change in its issued share capital from the date of this announcement to the completion of the Subscription save for the issue of the Top-up Subscription Shares).

The aggregate nominal value of the 120,000,000 Top-up Subscription Shares is HK\$1,200,000.

### **Top-up Subscription price:**

The subscription price for Top-up Subscription Share shall be the same as the Top-up Placing Price. The Top-up Subscription monies to be paid by the Vendor to the Company for the Subscription Shares shall be the aggregate of the Top-up Placing Price multiplied by the number of Top-up Subscription Shares less the expenses in relation to 120,000,000 Top-up Placing Shares which shall be borne by the Company. The total gross proceeds from the Top-up Subscription will be approximately HK\$7.92 million. The total net proceeds from the Top-

up Subscription is expected to amount to approximately HK\$7.65 million (after deduction of the estimated expenses) and the net proceeds per Top-up Subscription Share amounts to approximately HK\$0.064.

**Mandate to issue the Top-up Subscription Shares:**

The Top-up Subscription Shares will be allotted and issued under the general mandate granted to the Directors by the shareholders of the Company at the annual general meeting of the Company held on 24 November 2008. Under such general mandate, the Directors are authorised to allot and issue up to 120,730,872 Shares. As at the date of this announcement, no Shares have been allotted and issued pursuant to such general mandate. The Placing and the Subscription are not subject to approval by the shareholders of the Company.

**Ranking of the Top-up Subscription Shares:**

The Top-up Subscription Shares, when fully paid, will rank *pari passu* in all respects with the other Shares in issue on the completion date of the Top-up Subscription including the right to all dividends and other distributions declared, made or paid at any time after the respective date of allotment and issue of the Top-up Subscription Shares.

**Conditions of the Top-up Subscription:**

Completion of the Top-up Subscription is conditional upon fulfillment of the following conditions:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (b) completion of the Placing having occurred pursuant to the terms of the Top-up Placing and Subscription Agreement.

**Completion of the Subscription:**

Completion of Subscription will take place on the first Business Day after the date upon which the last of the conditions listed above to be satisfied shall have been so satisfied. The Top-up Subscription must be completed on or before 29 June 2009, being 14 days after the date of the Top-up Placing and Subscription Agreement, or such other time and/or date as the Vendor and the Company may agree in writing. The Top-up Subscription which constitutes a connected transaction will be subject to approval of the independent shareholders of the Company under Chapter 14A of the Listing Rules if the Top-up Subscription Shares are not issued within 14 days after the date of the Top-up Placing and Subscription Agreement.

## Changes in the shareholding structure as a result of the Top-up Placing and the Top-up Subscription:

Assuming all the Top-up Placing Shares are placed under the Top-up Placing and Subscription Agreement, the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Top-up Placing but before the Top-up Subscription, and (iii) immediately after completion of the Top-up Placing and the Top-up Subscription is summarized as follows:

	Immediately before the Top-up Placing and Top-up subscription		Immediately after the Top-up Placing but before the Top-up Subscription		Immediately after the Top-up Placing and the Top-up Subscription	
	Shares	Approximate % of Shareholding	Shares	Approximate % of Shareholding	Shares	Approximate % of Shareholding
The Vendor	812,211,488	26.91	692,211,488	22.93	812,211,488	25.88
Public: Places			120,000,000	3.98	120,000,000	3.82
Other public Shareholders	<u>2,206,060,322</u>	<u>73.09</u>	<u>2,206,060,322</u>	<u>73.09</u>	<u>2,206,060,322</u>	<u>70.30</u>
<b>Total</b>	<u><u>3,018,271,810</u></u>	<u><u>100.00</u></u>	<u><u>3,018,271,810</u></u>	<u><u>100.00</u></u>	<u><u>3,138,271,810</u></u>	<u><u>100.00</u></u>

## REASON FOR THE TOP-UP PLACING AND THE TOP-UP SUBSCRIPTION AND USE OF PROCEEDS OF THE TOP-UP SUBSCRIPTION

The Directors consider the Top-up Placing and the Top-up Subscription represent a favourable opportunity for the Company to raise capital whilst broadening the shareholder base and the capital base of the Company. The Top-up Placing and the Top-up Subscription are effected to raise funds for the long-term benefit of the Company. The Company intends to use the estimated net proceeds of the Top-up Subscription of approximately HK\$7.65 million for general working capital.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS OF THE COMPANY

Set out below is the fund raising activity conducted by the Company in the past twelve months prior to the date of this announcement:

<b>Date of announcement</b>	<b>Description of the fund raising activity</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
10 December 2008	Open offer of 2,414,617,448 new Shares at subscription price of HK\$0.027 per Share	Approximately HK\$60 million for general working capital of the Group	Applied as general working capital of the Group

## GENERAL

The Group is principally engaged in the manufacture and trading of cables and wires for use in household electrical appliances and electronic products, copper products, connectors and terminals and wire harness.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Top-up Subscription Shares.

Furthermore, the Company and the Vendor will, subject to compliance with the Listing Rules, take all necessary steps so that completion of the Top-up Subscription can take place as soon as practicable. Completion of the Top-up Subscription is subject to the satisfaction of certain conditions as set out in this announcement, including completion of the Top-up Placing. If these conditions are not fulfilled, the Top-up Subscription will not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

## DEFINITIONS

As used in this announcement, the following words and phrases have the same meanings assigned:

“Board”	the board of Directors
“Business Day”	means any day (excluding a Saturday) on which banks generally are open for business in Hong Kong during normal working hours
“Company”	Solartech International Holdings Limited, a company incorporated in Bermuda with limited liability and the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company



“Group”	the Company and its subsidiaries
“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
“Placees”	professional, institutional or other investors procured by the Placing Agent to purchase any of the Placing Shares pursuant to its obligations under the Top-up Placing and Subscription Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (deal in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-up Placing”	the placing of the Top-up Placing Shares by the Placing Agent to the Placees pursuant to the terms of the Top-up Placing and Subscription Agreement
“Top-up Placing and Subscription Agreement”	the Top-up Placing and Subscription Agreement dated 15 June 2009 entered into among the Company, the Vendor and the Placing Agent in respect of the Placing and the Subscription
“Top-up Placing Price”	the price of HK\$0.066 per Top-up Placing Share
“Top-up Placing Shares”	120,000,000 Shares to be sold by the Vendor, representing approximately 3.98% of the total issued share capital of the Company at the date of the Top-up Placing and Subscription Agreement
“Top-up Subscription”	the subscription of the Top-up Subscription Shares by the Vendor on the terms and subject to the conditions of the Top-up Placing and Subscription Agreement
“Top-up Subscription Shares”	120,000,000 new Shares to be allotted and issued by the Company to the Vendor, and subscribed by the Vendor pursuant to the Top-up Placing and Subscription Agreement

“Vendor”	Venture Success Holdings Limited, a company incorporated in the British Virgin Islands, is owned as to 74% by Mr. Chau Lai Him, who is the Chairman and Managing Director of the Company and also a substantial shareholder of the Company, and 26% by Mr. Lau Man Tak, who is a director of Venture Success Holdings Limited
“HK\$”	Hong Kong dollars
“%”	per cents

By order of the Board  
**Solartech International Holdings Limited**  
**Chau Lai Him**  
*Chairman and Managing Director*

Hong Kong, 15 June 2009

*As at the date of this announcement, the board of directors of the Company comprises Mr. Chau Lai Him, Mr. Zhou Jin Hua, Mr. Liu Jin Rong, Mr. Ho Pang Cheng Vincent and Mr. Lam Chi Ming Francis being the executive directors and Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming being the independent non-executive directors.*