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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 AND RESUMPTION OF TRADING**

**Placing Agent**



**KINGSTON SECURITIES LIMITED**

#### **THE TOP-UP PLACING**

On 13 August 2007, the Vendors, the Placing Agent and the Company entered into the Top-Up Placing Agreement. Pursuant to the Top-Up Placing Agreement, the Vendors agreed to place, through the Placing Agent, an aggregate of 97,000,000 existing Shares, on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners are to be third parties independent of the Company and its connect persons (as defined in the Listing Rules) at a price of HK\$0.68 per Placing Share. Pursuant to the Top-Up Placing Agreement, the Vendors conditionally agreed to subscribe for an aggregate of 97,000,000 Top-Up Subscription Shares at a price of HK\$0.68 per Top-Up Subscription Share.

The Placing Price (or the Top-Up Subscription Price) of HK\$0.68 represents (i) a discount of approximately 17.07% to the closing price of HK\$0.82 per Share as quoted on the Stock Exchange on 10 August 2007, being the Last Trading Date; (ii) a discount of approximately 17.27% to the average closing price per Share of approximately HK\$0.822 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 21.75% to the average closing price per Share of HK\$0.869 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

\* For identification purposes only

The 97,000,000 Placing Shares (or the Top-Up Subscription Shares) represent (i) approximately 19.83% of the existing issued share capital of the Company of 489,154,362 Shares as at the date of this announcement; and (ii) approximately 16.55% of the issued share capital of the Company of 586,154,362 Shares as enlarged by the Top-Up Subscription.

The gross proceeds and the net proceeds from the Top-Up Placing will be approximately HK\$65.96 million and approximately HK\$63.80 million respectively. Approximately HK\$25 million of the net proceeds is intended to be used for general working capital of the Group and the remaining of approximately HK\$38.80 million is intended to be used for implementation of business expansion in the Group's business operation in Brazil. Details of the Group's business in Brazil has been set out in the Company's announcement dated 18 April, 15 May and 2 June 2006 and Company's circular dated 26 June 2006. The net proceeds raised per Share upon the completion of the Top-Up Placing will be approximately HK\$0.66.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 13 August 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 14 August 2007.

## **THE TOP-UP PLACING AGREEMENT**

### **Date**

13 August 2007

### **Parties involved**

The Vendors, the Placing Agent and the Company

## **THE PLACING**

### **Placing Agent**

The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing, which was arrived at after arm's length negotiations between the Company and the Placing Agent. The Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

### **Placees**

The Placing Agent agreed to place the Placing Shares on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners are to be third parties independent of the Company and its connected persons (as defined in the Listing Rules). Immediately after completion of the Placing, none of the Placees will become a substantial Shareholder (as defined in the Listing Rules).

## **Placing Price**

The Placing Price (or the Top-Up Subscription Price) of HK\$0.68 represents (i) a discount of approximately 17.07% to the closing price of HK\$0.82 per Share as quoted on the Stock Exchange on 10 August 2007, being the Last Trading Date; (ii) a discount of approximately 17.27% to the average closing price per Share of approximately HK\$0.822 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 21.75% to the average closing price per Share of HK\$0.869 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The Placing Price was determined under arm's length negotiation between the Company and the Placing Agent and with reference to the prevailing market price of the Share. The Placing terms are determined on 13 August 2007 under normal commercial terms and with reference to the market rate. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **The Placing Shares**

The 97,000,000 Placing Shares (or the Top-Up Subscription Shares) represent (i) approximately 19.83% of the existing issued share capital of the Company of 489,154,362 Shares as at the date of this announcement; and (ii) approximately 16.55% of the issued share capital of the Company of 586,154,362 Shares as enlarged by the Top-Up Subscription.

## **Ranking of Placing Shares**

The Placing Shares rank *pari passu* among themselves and with Shares in issue as at the date of this announcement.

## **Condition of the Placing**

The Placing is unconditional.

## **Completion**

The Placing is expected to be completed on or about 20 August 2007.

## **THE TOP-UP SUBSCRIPTION**

### **The Top-Up Subscription Price**

The Top-Up Subscription Price is HK\$0.68 per Share. The Top-Up Subscription Price is the same to the Placing Price and was determined after arm's length negotiation between the Company and the Vendors with reference to the Placing Price.

### **Number of Top-Up Subscription Shares**

The number of Top-Up Subscription Shares is equivalent to the number of Placing Shares, being 97,000,000 Shares, of which 81,992,000 will be subscribed by Chau's Family 1996 Limited and 15,008,000 will be subscribed by Mr. Chau Lai Him.

## **Ranking of Top-Up Subscription Shares**

The Top-Up Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Top-Up Subscription Shares.

## **Conditions of the Top-Up Subscription**

The Top-Up Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares;
- (ii) completion of the Placing; and
- (iii) the Bermuda Monetary Authority approving or agreeing to the allotment and issue of the Top-Up Subscription Shares (if necessary).

## **Completion**

Under Rule 14A.31(3)(d) of the Listing Rules, the Top-Up Subscription must be completed within 14 days from the date of the Top-Up Placing Agreement, that is, on or before 27 August 2007.

In the event that the Top-Up Subscription under the Top-Up Placing Agreement are not completed by 27 August 2007, the Company and the Vendors may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules (including the Shareholder's approval), to postpone completion of the Top-Up Subscription to a later date to be agreed between the Company and the Vendors.

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

The Directors consider that the Top-Up Placing represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Top-Up Placing is in the interest of the Company and the Shareholders as a whole.

The gross proceeds and the net proceeds from the Top-Up Placing will be approximately HK\$65.96 million and approximately HK\$63.80 million respectively. Approximately HK\$25 million of the net proceeds is intended to be used for general working capital of the Group and the remaining of approximately HK\$38.80 million is intended to be used for implementation of business expansion in the Group's business operation in Brazil. Details of the Group's business in Brazil has been set out in the Company's announcement dated 18 April, 15 May and 2 June 2006 and Company's circular dated 26 June 2006. The net proceeds raised per Share upon the completion of the Top-Up Placing will be approximately HK\$0.66.

## **GENERAL MANDATE**

The total number of issued Shares as at the date of the AGM was 485,064,362 Shares. Pursuant to the General Mandate granted to the Directors at the AGM, the total number of new Shares that the Company is authorised to allot and issue are 97,012,872 Shares (up to 20% of the issued share capital of the Company as at the date of the AGM). The General Mandate has not been utilised as at the date of this announcement and the total number of new Shares that can be allotted and issued under the General Mandate as at the date of this announcement is 97,012,872 Shares. The Top-Up Subscription Shares will be allotted under the General Mandate.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

	As at the date of this announcement		Upon completion of the Placing		Upon completion of the Top-Up Subscription	
	(No. of Shares)	%	(No. of Shares)	%	(No. of Shares)	%
The Vendors:						
Chau's Family 1996 Limited (Note 1)	81,992,000	16.76	–	0	81,992,000	13.99
Mr. Chau Lai Him	41,210,000	8.42	26,202,000	5.35	41,210,000	7.03
Subtotal	123,202,000	25.18	26,202,000	5.35	123,202,000	21.02
Yin Jin Hua (Note 2)	55,700,000	11.39	55,700,000	11.39	55,700,000	9.50
Public:						
Placees (Note 3)	–	0	97,000,000	19.83	97,000,000	16.55
Other public Shareholders	310,252,362	63.43	310,252,362	63.43	310,252,362	52.93
Subtotal	310,252,362	63.43	407,252,362	83.26	407,252,362	69.48
<b>Total</b>	<b><u>489,154,362</u></b>	<b><u>100.00</u></b>	<b><u>489,154,362</u></b>	<b><u>100.00</u></b>	<b><u>586,154,362</u></b>	<b><u>100.00</u></b>

1. These Shares are held by Chau's Family 1996 Limited, which is wholly owned by the Chau's Family 1996 Trust, a discretionary trust of which Mr. Chau Lai Him is a discretionary object.
2. To the best knowledge of the Company, Yin Jin Hua is a third party independent of the Company and its connected persons (as defined under the Listing Rules).
3. These Shares will be issued and allotted upon completion of the Top-Up Subscription.

## **GENERAL**

The Company is an investment holding company and the Group is principally engaged in the manufacture and trading of cables and wires, copper rods, connectors and terminals.

As at the date of this announcement, the existing authorised share capital of the Company consists of 30,000,000,000 Shares out of which 489,154,362 Shares are issued and fully paid up. Save for the Top-Up Subscription Shares, 70,909,000 Shares to be converted by the outstanding convertible notes upon fully exercise at initial conversion price of HK\$1.10 and 42,600,000 outstanding employee share options, the Company neither have any options, warrants and other convertible securities nor have any non-completed placing as at the date of this announcement.

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

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 13 August 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 14 August 2007.

## **Terms and definitions**

“AGM”	the annual general meeting of the Company held on 16 November 2006
“Board”	the board of Directors
“Company”	Solartech International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the board of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Date”	being the last trading day for the Shares before this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Top-Up Placing Agreement

“Placing”	the placing of 97,000,000 existing Shares beneficially owned by the Vendors (of which 81,992,000 Shares owned by Chau’s Family 1996 Limited and 15,008,000 Shares owned by Mr. Chau Lai Him) pursuant to the terms of the Top-Up Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Price”	HK\$0.68 per Placing Share
“Placing Share(s)”	an aggregate of 97,000,000 existing Shares beneficially owned by the Vendors and to be placed pursuant to the Top-Up Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Placing”	the Placing and the Top-Up Subscription
“Top-Up Placing Agreement”	the top-up placing agreement entered into between the Company, the Vendors and the Placing Agent dated 13 August 2007 in relation to the Top-Up Placing
“Top-Up Subscription”	the subscription of 97,000,000 new Shares pursuant to the terms of Top-Up Placing Agreement
“Top-Up Subscription Price”	HK\$0.68 per Top-Up Subscription Share
“Top-Up Subscription Share(s)”	a total of 97,000,000 new Shares to be subscribed for by the Vendors pursuant to the Top-Up Placing Agreement
“Vendors”	Mr. Chai Lai Him and Chau’s Family 1996 Limited which is wholly owned by the Chau’s Family 1996 Trust, a discretionary trust of which Mr. Chau Lai Him is a discretionary object
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 13 August 2007

*As at the date of this announcement, the executive Directors are Mr. Chau Lai Him, Mr. Zhou Jin Hua, Mr. Chow Kin Ming and Mr. Liu Jin Rong and independent non-executive directors are Mr. Chung Kam Kwong, Mr. Lo Wai Ming, Mr. Lo Chao Ming.*