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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)

INSIDE INFORMATION – SUSPENSION OF BUSINESS OF A SUBSIDIARY: PICO ZEMAN SECURITIES (HK) LIMITED

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders that Pico Zeman, an indirect non-wholly owned subsidiary of the Company, has suspended its business in securities brokerage, securities advisory and assets management with effect from 12 March 2019. Pico Zeman has taken steps to immediately notify its clients of the suspension of business and has been returning to them the funds and assets held or managed on their behalf. In accordance with the SFO, Pico Zeman has also notified the SFC in relation to the suspension of business. Pico Zeman has no present intention to permanently cease carrying on any regulated activity for which it is licensed and as at the date of this announcement and based on the information currently available to the Board, the Board believes that the suspension of the business of Pico Zeman will not have any material effect on the overall operation of the Group.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

This announcement is made by Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders that Pico Zeman, an indirect non-wholly owned subsidiary of the Company, has suspended its business in securities brokerage, securities advisory and assets management with effect from 12 March 2019.

* *For identification purposes only*

The Group is principally engaged in cables and wires business, copper rod business, metallurgical grade bauxite trading business, property investment business, mining business, securities business and advertising business. Pico Zeman is principally engaged in the provision of brokerage services, securities advisory and assets management to clients, a company licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

For the Company's financial year ended 30 June 2018, the revenue derived from the business of Pico Zeman was approximately HK\$8.34 million (for the financial year ended 30 June 2017: approximately HK\$13.32 million), which accounted for approximately 2.11% of the Group's revenue for the year ended 30 June 2018 (for the year ended 30 June 2017: approximately 3.01%). The loss (before taxation) recorded by Pico Zeman was approximately HK\$11.82 million during the year ended 30 June 2018 (for the year ended 30 June 2017: approximately HK\$10.50 million).

References are made to the Company's 2018 annual report and the Company's 2018/2019 interim results announcement dated 27 February 2019, in which it was mentioned that, due to various factors in the external market, there was a significant fluctuation in the equity market, which hindered investors' intention to invest. In addition, as there was fierce competition in the industry with competitors lowering their brokerage fees, the operation environment of the securities industry in Hong Kong was harsh. As a result, Pico Zeman encountered the reduction of revenue and incurred losses as well as diminishing liquid capital during the two financial years ended 30 June 2018. With regard to the liquid capital requirement under the SFO, the SFC requested and in response Pico Zeman made various confirmations and undertakings to the SFC, and subsequently active steps had been taken to implement and honour such undertakings, including but not limited to returning client assets in an orderly manner, not accepting new clients, not executing any further purchase orders from any of the clients and notifying all existing clients of the relevant measures.

Since the resignation of the former Responsible Officers took effect from 12 March 2019, Pico Zeman made a notification to the SFC and proceeded to voluntarily suspend its business effective from 12 March 2019 in compliance with the SFO.

Pico Zeman has taken immediate steps to notify its clients of the suspension of business and has been returning to them the funds and assets which are still held or managed on their behalf.

The Company has been in negotiations with potential investors in relation to the possible investment in Pico Zeman in order to raise capital and meet the liquid capital requirement under the SFO and other relevant regulations. However, as at the date of this announcement, no agreements have been entered into in relation to any potential investment.

In addition, the Company will continue to evaluate the impact of the suspension of business of Pico Zeman. Pico Zeman has no present intention to permanently cease carrying on any regulated activity for which it is licensed and as at the date of this announcement and based on the information currently available to the Board, the Board believes that the suspension of the business of Pico Zeman will not have any material effect on the overall operations of the Group.

The Company will keep the Shareholders and potential investors of the Company informed of any material developments in connection with the above by way of further announcement(s) as and when appropriate.

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors
“Company”	Solartech International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, 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
“Pico Zeman”	Pico Zeman Securities (HK) Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company, which is a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), and Type 9 (asset management) regulated activities under the SFO

“Responsible Officers”	the responsible officers appointed by Pico Zeman in accordance with the SFO
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholders”	holders of Shares
“Shares”	ordinary shares of par value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 12 March 2019

As at the date of this announcement, the Board comprises Mr. Chau Lai Him, Mr. Zhou Jin Hua, Mr. Liu Dong Yang and Mr. Chau Chi Ho as executive Directors; Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming as independent non-executive Directors.