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SOLUTECK HOLDINGS LIMITED

一創科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8111)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



華富嘉洛證券有限公司
Quam Securities Company Limited

After trading hours on 3 August 2010, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, a maximum of 108,600,000 Placing Shares to not less than six Places at the Placing Price of HK\$0.325 per Placing Share.

The maximum number of the Placing Shares represents (i) about 19.97% of the Company's existing issued share capital of 543,792,072 Shares and (ii) about 16.65% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Completion of the Placing is conditional upon (i) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and (ii) the Placing Agreement not having been terminated in accordance with its terms.

Further announcement will be made by the Company upon completion of the Placing.

* For identification purpose only

PLACING OF NEW SHARES UNDER GENERAL MANDATE

THE PLACING AGREEMENT

Date

3 August 2010 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place a maximum of 108,600,000 Placing Shares on a best effort basis and will receive a placing commission of 2% of the aggregate Placing Price of the Placing Shares. The Directors are of the view that the placing commission, which was determined with reference to the market rate, is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed to the Placees, who and whose ultimate beneficial owners are Independent Third Parties. It is currently expected that there will be not less than six Placees under the Placing and none of such Placees will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company immediately after completion of the Placing.

Number of Placing Shares

A maximum of 108,600,000 Placing Shares, representing (i) approximately 19.97% of the existing issued share capital of the Company of 543,792,072 Shares as at the date of this announcement; and (ii) approximately 16.65% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The aggregate nominal value of the Placing Shares will be HK\$10,860,000.

Mandate to issue the Placing Shares

The Placing Shares will be issued pursuant to the General Mandate granted to the Directors at the extraordinary general meeting of the Company held on 11 February 2010. The Directors were authorised to allot and issue up to 108,758,414 Shares pursuant to the General Mandate. Up to the date of this announcement, the Directors have not utilised any part of the General Mandate to issue Shares. Accordingly, the issue of the Placing Shares is not subject to any approval by the shareholders of the Company.

Ranking of Placing Shares

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.325 represents (i) a discount of 18.75% to the closing price of HK\$0.4 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 11.92% to the average closing price of HK\$0.369 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

Assuming all 108,600,000 Placing Shares are placed under the Placing and based on the estimated expenses of approximately HK\$0.95 million for the Placing, the gross proceeds and net proceeds from the Placing will be approximately HK\$35.30 million and approximately HK\$34.35 million respectively. On that basis, the net price per Placing Share is approximately HK\$0.316.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (ii) the Placing Agreement not having been terminated in accordance with its terms.

If any of the above conditions cannot be fulfilled by 5:00 p.m. on 31 August 2010, the Placing Agreement shall automatically terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing save for any antecedent breaches of the Placing Agreement.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Termination

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 12:00 noon (Hong Kong time) on the completion date of the Placing if any of the following develops, occurs or comes into force:

- (a) there shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained therein or any failure to perform any of the Company's undertakings in the Placing Agreement;
- (b) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (c) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (d) any suspension of dealings in the Shares for any period of five consecutive trading days or more (other than as a result of announcing the Placing); or
- (e) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange,

and that the right to terminate the Placing Agreement under paragraphs (a) to (e) above shall be a separate and independent right and that the exercise of any such right by the Placing Agent shall not affect or prejudice or constitute a waiver of any other right, remedy or claim which the Placing Agent may have as at the date of such notice nor shall termination of the Placing Agreement affect or prejudice any provision thereof expressed to survive or operate in the event of termination of the Placing Agreement.

Without prejudice to any other provisions of the Placing Agreement, the Placing Agent shall have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the terms of the Placing Agreement. In the event that the Placing Agent terminates the Placing Agreement in accordance with the terms of the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing will take place within four business days after the fulfillment of the conditions set out in the Placing Agreement or such later date as may be agreed between the Company and the Placing Agent.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS OF THE PLACING

The Group specialises in the provision of implementation and upgrading of self-service automatic teller machine systems, banking and other related equipment, application hardware and software, technical support and consultancy services to commercial banks and postal bureaus in the PRC.

The Directors consider various ways of raising funds and consider that the Placing represents an opportunity to enlarge the equity base of the Company and provides general working capital for the Company's business expansion. The Directors intend to use the net proceeds from the Placing as general working capital or other future business opportunities.

The Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable based on the current market conditions and in the interests of the Company and its shareholders as a whole.

	Existing shareholding		Shareholding immediately after the Placing	
	No. of Shares	%	No. of Shares	%
Hou Hsiao Bing (<i>note 1</i>)	131,150,000	24.12	131,150,000	20.10
Hou Hsiao Wen (<i>note 2</i>)	25,370,000	4.67	25,370,000	3.89
Ren Baogen	58,830,000	10.82	58,830,000	9.02
The Placees	–	–	108,600,000	16.65
Other public	<u>328,442,072</u>	<u>60.39</u>	<u>328,442,072</u>	<u>50.34</u>
Total	<u>543,792,072</u>	<u>100.00</u>	<u>652,392,072</u>	<u>100.00</u>

Notes:

1. Mr. Hou Hsiao Bing is the chairman of the Board and an executive Director.
2. Mr. Hou Hsiao Wen is an executive Director.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

On 23 December 2009, the Company announced that it had entered into an agreement for the private placing of unlisted Warrants and 100,000,000 Warrants had been issued. The net proceeds received by the Company from the issue of the Warrants amounted to approximately HK\$9.7 million which is intended to be used as general working capital. The gross proceeds from the exercise of the Warrants are expected to be approximately HK\$90 million which is intended to be used as general working capital. As at the date of this announcement, none of the Warrants has been exercised and the Company has utilised approximately HK\$2.8 million from the proceeds of issue of the Warrants as general working capital.

Save for the above fund raising exercises, the Company has not conducted any equity fund raising exercise in the past 12-month period immediately before the date of this announcement.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Board”	the board of Directors
“Company”	Soluteck Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 11 February 2010 to allot or otherwise deal with the unissued Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party who is independent of and not connected with the Company and the connected person (as defined in the GEM Listing Rules) of the Company
“Placee(s)”	the placee(s) to be procured by the Placing Agent under the Placing
“Placing”	the placing of a maximum of 108,600,000 Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Quam Securities Company Limited, a company incorporated in Hong Kong
“Placing Agreement”	the placing agreement between the Company and the Placing Agent dated 3 August 2010 in relation to the Placing
“Placing Price”	HK\$0.325 per Placing Share

“Placing Shares”	a maximum of 108,600,000 new Shares to be issued and placed under the Placing
“PRC”	the Peoples’ Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	unlisted warrants issued by the Company at an issue price of HK\$0.10, each entitles the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$0.90, subject to adjustment
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Soluteck Holdings Limited
Zeng Xiangyi
Director

Hong Kong, 3 August 2010

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Hou Hsiao Bing (*Chairman*)
Hou Hsiao Wen
Zeng Xiangyi
Wang Daling
Law Shu Sang, Joseph

Independent non-executive Directors:

Tam Kam Biu, William
Wong Chung Wai, Eric
Lai Chun Hung

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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