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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)

### **1. PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE 2. PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

#### **Placing Agent**



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

#### **PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE**

##### **The Placing Agreement**

On 18 October 2010, the Vendor, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Vendor has agreed to place, and the Placing Agent has agreed to procure certain Placees, on a best effort basis, for the purchase of up to 78,400,000 Placing Shares at the Placing Price of HK\$0.50 per Placing Share. The maximum number of the Placing Shares represents (i) approximately 11.94% of the Company's existing issued share capital of 656,792,072 Shares and (ii) approximately 10.66% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

\* For identification purpose only

## **The Subscription Agreement**

On 18 October 2010, the Vendor and the Company entered into the Subscription Agreement pursuant to which the Vendor has agreed to subscribe for such number of Subscription Shares which is equivalent to the number of the Placing Shares, being a maximum number of 78,400,000 Subscription Shares, at the Subscription Price of HK\$0.50 per Subscription Share.

The Subscription is conditional upon (i) the completion of the Placing; and (ii) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares. Under Rule 20.31(3)(d) of the GEM Listing Rules, the Subscription must be completed within 14 days after the date of the Placing Agreement. If completion of the Subscription does not take place within 14 days after the date of the Placing Agreement, it will be a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the GEM Listing Rules.

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

## **PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

On 18 October 2010, the Company and the Placing Agent entered into the CB Placing Agreement pursuant to which the Placing Agent has agreed to procure certain CB Places, on a best effort basis, for the subscription of the Convertible Bonds in the aggregate principal amount of up to HK\$26,000,000.

The CB Places will be entitled to convert the whole or any part of the Convertible Bonds into Conversion Shares at the Conversion Price, being HK\$0.50 (subject to adjustment) during the Conversion Period. Assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the initial Conversion Price, a maximum of 52,000,000 Conversion Shares will be allotted and issued, representing approximately 7.92% of the entire issued share capital of the Company as at the date of this announcement and approximately 6.61% of the entire issued share capital as enlarged by the issue of the Subscription Shares and the Conversion Shares.

The Subscription Shares and Conversion Shares, upon issue, shall rank pari passu in all respects with the Shares then in issue.

## **A. PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE**

### **THE PLACING AGREEMENT**

#### **Date:**

18 October 2010

#### **Parties:**

The Vendor, the Company and the Placing Agent

#### **The Vendor:**

Hou Hsiao Bing, a substantial shareholder and an executive Director. As at the date of this announcement, the Vendor is the beneficial owner of 131,150,000 Shares, representing approximately 19.97% of the entire issued share capital of the Company.

#### **Number of Placing Shares to be placed:**

Up to 78,400,000 Shares, representing (i) about 11.94% of the Company's existing issued share capital of 656,792,072 Shares; and (ii) about 10.66% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

#### **Placing Agent:**

Quam Securities Company Limited

The Placing Agent and its ultimate beneficial owners are Independent Third Parties and not connected with the Company and its connected persons.

The Placing Agent will be entitled to receive a placing commission of 1.25% on the gross proceeds of the actual number of the Placing Shares being placed, which was arrived at after arm's length negotiation between the Company and the Placing Agent.

#### **Placees**

The Placing Agent agreed to place the Placing Shares, on a best effort basis, to the Placees who are Independent Third Parties and not connected with the Company, the Vendor, the Directors, chief executive and substantial shareholders (as those terms are defined in the GEM Listing Rules) of the Company, its subsidiaries and their respective associates (as defined in the GEM Listing Rules).

It is expected that there will be not less than six Placees. In the event that the number of the Placees falls below six, information of the Placees will be disclosed in further announcement of the Company in accordance with the GEM Listing Rules.

**Price:**

The Placing Price of HK\$0.50 represents (i) a discount of approximately 7.41% to the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 8.09% to the average closing price of HK\$0.544 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 15 October 2010.

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.

**Rights:**

The Placing Shares will be sold free of any third party rights and together with all dividends and distributions declared, made or paid after the date of the Placing Agreement.

**Completion:**

The Placing is unconditional and completion of the Placing will take place on the Closing Date.

**Termination:**

If at any time at or prior to 9:30 a.m. (Hong Kong time) on the Closing Date:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic or market (including stock market) conditions or taxation or currency exchange or exchange controls as would be likely to be materially adverse to the success of the Placing; or
- (ii) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendor of any other provision of the Placing Agreement;  
or

- (iii) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing;
- (iv) any new law or regulation or any change or development involving a prospective change in existing laws and regulations in any relevant jurisdiction which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
- (v) any suspension of dealings in the Shares for any period of three consecutive business days or more (other than as a result of the Placing); or
- (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong or the PRC or the declaration by Hong Kong or the PRC of a national emergency or war; or
- (vii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company and/or to the Vendor by giving notice in writing to the Vendor, provided that such notice is received prior to 12:00 noon on the Closing Date.

## **THE SUBSCRIPTION AGREEMENT**

### **Date:**

18 October 2010

### **Parties involved:**

The Company and the Vendor

### **Number of new Shares subscribed for:**

The number of Subscription Shares is equivalent to the number of the Placing Shares, being a maximum number of 78,400,000 Subscription Shares (nominal value being HK\$7,840,000).

### **Subscription Price:**

The Subscription Price is HK\$0.50 per Subscription Share. The Subscription Price is the same as the Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price.

The Company will pay the costs and expenses of the Subscription, and will repay to the Vendor his costs and expenses of the Placing. Assuming 78,400,000 Subscription Shares are being subscribed by the Vendor, the gross proceeds and net proceeds from the Subscription to be received by the Company will be HK\$39.2 million and approximately HK\$38.5 million respectively. The net price to the Company of each Subscription Share is approximately HK\$0.49.

The Directors are of the view that the Subscription Price is fair and reasonable.

**Ranking:**

The Subscription Shares, when fully paid, will rank pari passu in all respects with the existing issued Shares.

**Conditions of the Subscription:**

The Subscription is conditional upon (i) the completion of the Placing; and (ii) the Stock Exchange granting listing of and permission to deal in the Subscription Shares.

If the conditions are not fulfilled within 14 days after the date of the Placing Agreement or such later date as may be agreed between the Company and the Vendor, the Subscription Agreement shall terminate and neither of the parties will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Subscription Agreement.

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

**Completion of the Subscription:**

Under Rule 20.31(3)(d) of the GEM Listing Rules, the Subscription must be completed within 14 days after the date of the Placing Agreement.

If completion of the Subscription does not take place within 14 days after the date of the Placing Agreement, it will be a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the GEM Listing Rules.

**Mandate to issue the Subscription Shares:**

The Subscription Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 2 September 2010. The Directors were authorised to allot and issue up to 130,478,414 Shares pursuant to the General Mandate. Up to the date of the Announcement, save for the CB Placing as set out below, the Directors have not utilised any part of the General Mandate to issue Shares. Accordingly, the issue of the Subscription Shares is not subject to any approval by the shareholders of the Company.

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

## **B. PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

### **Date of the CB Placing Agreement:**

18 October 2010

### **Parties:**

The Company and the Placing Agent

The Placing Agent and its ultimate beneficial owners are Independent Third Parties and not connected with the Company and its connected persons.

The Placing Agent will be entitled to receive a placing agent commission of 1.5% on the actual principal amount of the Convertible Bonds placed by the Placing Agent, which was arrived at after arm's length negotiation between the Company and the Placing Agent.

### **Subject matters:**

The Placing Agent agreed to place the Convertible Bonds, on a best effort basis, to the CB Placees who are Independent Third Parties of and not connected with the Company, the Directors, chief executive and substantial shareholders (as those terms are defined in the GEM Listing Rules) of the Company, its subsidiaries and their respective associates (as defined in the GEM Listing Rules).

It is expected that there will be not less than six CB Placees. In the event that the number of the CB Placees falls below six, information of the CB Placees will be disclosed in further announcement of the Company in accordance with the GEM Listing Rules.

### **Major terms of the Convertible Bonds**

Issuer	:	The Company
Total principal amount	:	HK\$26,000,000
Issue price	:	HK\$26,000,000

- Interest : The Convertible Bonds bear no interest.
- Maturity Date : The first anniversary of the date of issue of the Convertible Bonds, or, if that is not a business day, the first business day thereafter.
- Conversion rights : The CB Placees will have the right to convert the principal amount of the Convertible Bonds into Conversion Shares at the Conversion Price at any time during the Conversion Period.
- Conversion Shares : Assuming the conversion rights attaching to the Convertible Bonds are all exercised in full at the Conversion Price of HK\$0.50 per Conversion Shares, a maximum of 52,000,000 Shares will be allotted and issued, representing approximately 7.92% of the entire issued share capital of the Company as at the date of this announcement and approximately 6.61% of the entire issued share capital as enlarged by the Subscription Shares and the Conversion Shares.
- Conversion Price : HK\$0.50 per Conversion Share, subject to adjustments for, inter alia, the anti-dilution provisions summarized below.

The Conversion Price represents:

- (i) a discount of approximately 7.41% to the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of the CB Placing Agreement;
  - (ii) a discount of approximately 8.09% to the average closing price of HK\$0.544 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 15 October 2010;
  - (iii) a discount of approximately 4.94% to the average closing price of HK\$0.526 per Share for the last ten trading days ended on and including 15 October 2010; and
  - (iv) a premium of approximately 391.91% over the Group's audited consolidated net asset value per Share as at 31 March 2010.
- Redemption : Unless previously converted, the Company shall repay the outstanding Convertible Bonds in full on the Maturity Date.



Anti-dilution adjustments	:	<p>The Conversion Price shall from time to time be adjusted upon the occurrence of certain events including but not limited to the following:–</p> <ul style="list-style-type: none"> <li>(i) consolidation, sub-division or reclassification of the Shares;</li> <li>(ii) capitalisation of profits or reserves;</li> <li>(iii) capital distribution to the shareholders of the Company;</li> <li>(iv) rights issues of Shares or options, etc. over Shares;</li> <li>(v) rights issue of other securities; and</li> <li>(vi) subsequent issue of securities of the Company.</li> </ul>
Lock-up period for Conversion Shares and Convertible Bonds	:	Not applicable.
Transferability	:	The Convertible Bonds may be transferred by the CB Placees before the Maturity Date.
Voting	:	The CB Placees will not be entitled to attend or vote at any meetings of the Company by reason only of its being a Bondholder.
Listing	:	No application will be made for the listing of the Convertible Bonds. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be allotted and issued upon conversion of the Convertible Bonds.
Ranking of Conversion Shares	:	The Conversion Shares will rank pari passu in all respects among themselves and with other Shares in issue on the conversion date of the Convertible Bonds.
Events of Default	:	<p>Any Bondholder may give notice to the Company that the Convertible Bonds are immediately due and repayable if:</p> <ul style="list-style-type: none"> <li>(i) a default is made in the payment of any sum due on the Convertible Bonds when due and such default shall not have been cured by payment by the Company within 15 days after the due date; or</li> </ul>

- (ii) a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the Instrument or in the Convertible Bonds and on its part to be performed or observed (other than the covenant to pay the principal, premium (if any) and interest in respect of any of the Convertible Bonds) and such default continues for the period of 14 days next following the service by any Bondholder on the Company of notice specifying brief details of such default and requiring such default to be remedied; or
- (iii) a material breach of any of the terms of the CB Placing Agreement by the Company, including a breach of any warranty therein which is not discovered until after the issue and delivery of the Convertible Bonds; or
- (iv) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved or the Company; or
- (v) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company; or
- (vi) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the assets or undertaking or property of the Company and is not discharged within seven days thereof; or
- (vii) the Company is unable to pay its debts as and when they fall due or the Company shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, winding up, reorganisation or insolvency law or make an assignment for the benefit of, or enter into any composition with, its creditors; or
- (viii) proceedings shall have been initiated against the Company under any applicable bankruptcy, winding up, reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of twenty one (21) days; or

- (ix) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (v) to (viii) (inclusive) above; or
- (x) if the Shares are suspended by the Stock Exchange for a period of 90 consecutive trading days or listing of the Shares on the Stock Exchange are being revoked or withdrawn; or
- (xi) if there is not a sufficient number of authorised but unissued Shares of the Company available for the fulfilment of the obligations regarding the conversion of the Convertible Bonds; or
- (xii) it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Convertible Bonds or the Instrument; or
- (xiii) any other present or future indebtedness of the Company for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of an event of default (however called) or any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for or the Company fails to pay when due any amount payable by it under any present or future guarantee for any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness or amount payable in respect of which one or more of the events mentioned above have occurred equals or exceeds HK\$10,000,000 (or its equivalent in another currency).

#### **Mandate to issue the Conversion Shares:**

The Conversion Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 2 September 2010. The Directors were authorised to allot and issue up to 130,478,414 Shares pursuant to the General Mandate. Up to the date of the Announcement, save for the issue of the Subscription Shares pursuant to the Subscription Agreement as disclosed above, the Directors have not utilised any part of the General Mandate to issue Shares. Accordingly, the issue of the Conversion Shares is not subject to any approval by the shareholders of the Company.

Given that the Conversion Price may in the future be adjusted as a result of the happening of adjustment events as mentioned above, the number of Conversion Shares which may fall to be issued upon exercise of the conversion rights of the Convertible Bonds may exceed 52,000,000. In such case, the Company will ensure that it will have sufficient mandate, either from available

unused General Mandate or by specific mandate to be obtained from Shareholders, to cover the issue of all Conversion Shares based on the adjusted Conversion Price before carrying out any transaction which will trigger any adjustment to the Conversion Price.

**Conditions precedent to the completion of the issue of the Convertible Bonds:**

Completion of the issue of the Convertible Bonds is subject to:

- (i) the Listing Committee of the Stock Exchange granting approval of the issue of the Convertible Bonds and the listing of, and permission to deal in, all the Conversion Shares falling to be issued on the exercise of the conversion rights to be attached to the Conversion Bonds either unconditionally or subject to conditions to which the Placing Agent accept and the satisfaction of such conditions (if any) by no later than 5:00 p.m. on 30 November 2010 (Hong Kong time) (or such later time as the Placing Agent may determine); and
- (ii) no event having occurred or occurring before the completion date which would constitute an event of default (as described above) had the Convertible Bonds been issued.

If the conditions specified above is not fulfilled by the time specified therein (or being waived in writing by the Placing Agent), the Placing Agent may, at any time thereafter, terminate its obligations under the CB Placing Agreement by notice in writing to the Company, whereupon the obligations of the Placing Agent under the CB Placing Agreement shall forthwith cease and terminate and neither the Company nor Placing Agent shall have any claim against any of the others of them save for claims against the Company for antecedent breach of its obligations under the CB Placing Agreement.

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

**Completion of the issue of the Convertible Bonds:**

Completion of the issue of the Convertible Bonds is scheduled to take place on the seventh business day after the date on which all the conditions precedent as described above have been fulfilled or waived (or such other date as the Placing Agent and the Company may agree in writing).

On the completion date, the Company shall issue to the CB Placees the Convertible Bonds and the Placing Agent shall make payment for the principal amounts of the Convertible Bonds being placed or subscribed (subject to deductions for the commissions, fees and expenses payable by the Company).

Assuming the Convertible Bonds in the principal amount of HK\$26,000,000 have been placed by the Placing Agent, the gross proceeds and net proceeds from the issue of the Convertible Bonds to be received by the Company will be HK\$26 million and approximately HK\$25.4 million respectively. The net price to the Company of each Subscription Share is approximately HK\$0.49.

## SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE PLACING, THE SUBSCRIPTION AND THE CONVERSION OF THE CONVERTIBLE BONDS UPON ISSUE OF THE CONVERTIBLE BONDS

Assuming the maximum number of Shares have been subscribed by the Vendor under the Subscription and the maximum amount of the Convertible Bonds have been placed under the CB Placing, the following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Placing only (assuming no Conversion Shares nor Subscription Shares have been issued); (iii) immediately after the Placing and the Subscription (assuming no Conversion Shares have been issued); (iv) immediately upon full conversion of the Convertible Bonds (assuming neither the Placing nor the Subscription has taken place); (v) immediately after the Placing and upon full conversion of the Convertible Bonds (assuming the Subscription has not taken place); and (vi) immediately after the Placing, the Subscription and upon full conversion of the Convertible Bonds:

	Shareholding as at the date of this announcement		Shareholding immediately after the Placing only (assuming no Conversion Shares nor Subscription Shares have been issued)		Shareholding immediately after the Placing and the Subscription (assuming no Conversion Shares have been issued)		Shareholding immediately upon full conversion of the Convertible Bonds (assuming neither the Placing nor the Subscription has taken place)		Shareholding immediately after the Placing and upon full conversion of the Convertible Bonds (assuming the Subscription has not taken place)		Shareholding immediately after the Placing, the Subscription and upon the full conversion of Convertible Bonds	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Vendor	131,150,000	19.97	52,750,000	8.03	131,150,000	17.84	131,150,000	18.50	52,750,000	7.44	131,150,000	16.66
Hou Hsiao Wen (Note)	25,370,000	3.86	25,370,000	3.86	25,370,000	3.45	25,370,000	3.58	25,370,000	3.58	25,370,000	3.22
Ren Baogen	58,830,000	8.96	58,830,000	8.96	58,830,000	8.00	58,830,000	8.30	58,830,000	8.30	58,830,000	7.47
The Placees	-	-	78,400,000	11.94	78,400,000	10.66	-	-	78,400,000	11.06	78,400,000	9.96
Bondholders	-	-	-	-	-	-	52,000,000	7.34	52,000,000	7.34	52,000,000	6.61
Other public	441,442,072	67.21	441,442,072	67.21	441,442,072	60.05	441,442,072	62.28	441,442,072	62.28	441,442,072	56.08
Total	<u>656,792,072</u>	<u>100</u>	<u>656,792,072</u>	<u>100</u>	<u>735,192,072</u>	<u>100</u>	<u>708,792,072</u>	<u>100</u>	<u>708,792,072</u>	<u>100</u>	<u>787,192,072</u>	<u>100</u>

Note: Hou Hsiao Wen is an executive Director.

## **REASONS OF THE PLACING, SUBSCRIPTION AND THE CB PLACING AND USE OF PROCEEDS**

Assuming the maximum number of Shares have been subscribed by the Subscriber under the Subscription and the maximum amount of the Convertible Bonds have been placed under the CB placing, the aggregate gross proceeds and net proceeds to the Company from the Subscription and the issue of the Convertible Bonds will be HK\$65.2 million and approximately HK\$63.9 million respectively. The Directors consider various ways of raising funds and consider that the Placing and the Subscription, and the CB Placing, represent an opportunity to enlarge the equity base of the Company and provide general working capital for the Company's business expansion. The Company intends to utilise the net proceeds from the Subscription and the issue of the Convertible Bonds as its general working capital for the Company's business expansion. Save for the proposed acquisition of the entire issued share capital of China Technology Solar Power Holdings Limited as disclosed in the Company's announcement dated 15 October 2010, the Company currently does not have any specific plans of investments or business development at present.

The Directors consider that the terms of each of the Placing Agreement, the Subscription Agreement and the CB Placing Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and its shareholders as a whole.

## **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\$5.0 million from the proceeds of issue of the Warrants as general working capital.

On 3 August 2010, the Company announced that it had entered into an agreement for the private placing of 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 net price to the Company of each placing share is approximately HK\$0.316. The Company received net proceeds of approximately HK\$34.35 million from that placing, which is intended to be used as general working capital or other future business opportunities. As at the date of this announcement, the Company has utilised approximately HK\$1.0 million from the net proceeds of that placing 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
“Bondholder(s)”	the placee(s) to be procured by the Placing Agent under the CB Placing
“CB Placing”	the placing of the Convertible Bonds pursuant to the CB Placing Agreement
“CB Placing Agreement”	the placing agreement dated 18 October 2010 entered into between the Company and the Placing Agent in relation to the CB Placing
“Closing Date”	the second business day from the day on which the sale and purchase of the Placing Shares are input into the Automatic Order Matching System as operated by the Stock Exchange
“Company”	Soluteck Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person”	has the meaning set out in the GEM Listing Rules
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of up to HK\$26,000,000 to be placed under the CB Placing
“Conversion Period”	the period commencing on the issue date of the Convertible Bonds and expiring on the Maturity Date
“Conversion Price”	HK\$0.50 per Conversion Share, subject to adjustments, pursuant to the terms and conditions of the Convertible Bonds
“Conversion Shares”	Shares to be issued upon conversion of the Convertible Bonds
“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 annual general meeting of the Company held on 2 September 2010 to allot or otherwise deal with the unissued Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Part(ies)”	any person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties independent of the Company and its connected persons
“Maturity Date”	the first anniversary of the date of issue of the Convertible Bonds, or, if that is not a business day, the first business day thereafter.
“Placee(s)”	the placee(s) to be procured by the Placing Agent under the Placing
“Placing”	the placing of a maximum of 78,400,000 Shares beneficially owned by the Vendor pursuant to the Placing Agreement
“Placing Agent”	Quam Securities Company Limited, a company incorporated in Hong Kong
“Placing Agreement”	a placing agreement between the Vendor, the Company and the Placing Agent dated 18 October 2010 in relation to the Placing
“Placing Price”	HK\$0.50 per Placing Share
“Placing Shares”	a maximum of 78,400,000 Shares beneficially owned by the Vendor and to be 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
“Subscription”	the subscription for the Subscription Shares pursuant to the Subscription Agreement



“Subscription Agreement”	the subscription agreement between the Company and the Vendor dated 18 October 2010 in relation to the Subscription
“Subscription Price”	HK\$0.50 per Subscription Shares
“Subscription Shares”	new Shares equivalent to the number of the Placing Shares to be subscribed by the Vendor
“Vendor”	Hou Hsiao Bing, a substantial shareholder and an executive Director
“Warrant”	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**  
**Hou Hsiao Bing**  
*Chairman*

Hong Kong, 18 October 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  
Ho Chi Fai, Thomas

*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.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication.*