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**CHINA TECHNOLOGY SOLAR POWER HOLDINGS LIMITED**  
**中科光電控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 8111)

- (1) PLACING OF NEW SHARES UNDER GENERAL MANDATE  
AND ITS TERMINATION;**
- (2) PLACING OF EXISTING SHARES AND SUBSCRIPTIONS FOR  
NEW SHARES UNDER GENERAL MANDATE; AND**
- (3) RESUMPTION OF TRADING**

**TERMINATION OF PLACING OF NEW SHARES**

On 5 September 2011 (before trading hours commenced), 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 147,000,000 Shares to not less than six places at the price of HK\$0.53 per Share.

After the signing of the Placing Agreement, the Placing Agent and the Company would like to change the method of placing from a placing of new Shares to a top-up placing. Accordingly, on 8 September 2011, the Placing Agent and the Company entered into a termination agreement to terminate the Placing Agreement. On the same date, the Placing Agent, the Company and the Vendors entered into the Top-up Placing Agreement, the major terms of which are set out below.

\* For identification purpose only

## **PLACING OF EXISTING SHARES AND SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE**

### **The Top-up Placing Agreement**

On 8 September 2011, the Vendors, the Company and the Placing Agent entered into the Top-up Placing Agreement pursuant to which the Vendors have agreed to place, and the Placing Agent has agreed to procure certain Placees, on a best effort basis, for the purchase of up to an aggregate of 147,000,000 Placing Shares at the Placing Price of HK\$0.53 per Placing Share.

The maximum number of the Placing Shares represents (i) approximately 16.44% of the Company's existing issued share capital of 894,192,072 Shares; and (ii) approximately 14.12% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

### **The Subscription Agreements**

On 8 September 2011, Mr. Hou Hsiao Bing and the Company entered into the Subscription Agreement I pursuant to which Mr. Hou Hsiao Bing has agreed to subscribe for such number of Subscription Shares which is equivalent to the number of the Placing Shares placed by Mr. Hou Hsiao Bing, being a maximum number of 131,150,000 Subscription Shares, at the Subscription Price of HK\$0.53 per Subscription Share.

On 8 September 2011, Mr. Hou Hsiao Wen and the Company entered into the Subscription Agreement II pursuant to which Mr. Hou Hsiao Wen has agreed to subscribe for such number of Subscription Shares which is equivalent to the number of the Placing Shares placed by Mr. Hou Hsiao Wen, being a maximum number of 15,850,000 Subscription Shares, at the Subscription Price of HK\$0.53 per Subscription Share.

The Subscriptions are conditional upon (i) the completion of the Top-up 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 Subscriptions must be completed within 14 days after the date of the Top-up Placing Agreement. If completion of the Subscriptions does not take place within 14 days after the date of the Top-up Placing Agreement, the Subscriptions under the Subscription Agreements will be connected transactions and the Company is required to comply with all the requirements in relation to connected transactions under the GEM Listing Rules.

Further announcement will be made by the Company upon completion of the Top-up Placing and the Subscriptions.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 5 September 2011 pending the issue of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 1:30 p.m. on 8 September 2011.

## **TERMINATION OF PLACING OF NEW SHARES**

On 5 September 2011 (before trading hours commenced), 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 147,000,000 Shares to not less than six places at the price of HK\$0.53 per Share.

After the signing of the Placing Agreement, the Placing Agent and the Company would like to change the method of placing from a placing of new Shares to a top-up placing. Accordingly, on 8 September 2011, the Placing Agent and the Company entered into a termination agreement to terminate the Placing Agreement. On the same date, the Placing Agent, the Company and the Vendors entered into the Top-up Placing Agreement, the major terms of which are set out below.

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

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

**Date:**

8 September 2011

**Parties:**

The Vendors, the Company and the Placing Agent.

*The Vendors:*

Mr. Hou Hsiao Bing is 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 14.67% of the entire issued share capital of the Company.

Mr. Hou Hsiao Wen is an executive Director. As at the date of this announcement, Mr. Hou Hsiao Wen is the beneficial owner of 25,370,000 Shares, representing approximately 2.84% of the entire issued share capital of the Company.

**Placing Agent:**

Cinda International Securities 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% 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.

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

Up to 147,000,000 Shares (up to 131,150,000 Shares by Mr. Hou Hsiao Bing and up to 15,850,000 Shares by Mr. Hou Hsiao Wen), representing (i) about 16.44% of the Company's existing issued share capital of 894,192,072 Shares; and (ii) about 14.12% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

**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 Vendors, 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\$0.53 represents (i) a discount of approximately 8.62% to the closing price of HK\$0.58 per Share as quoted on the Stock Exchange on 2 September 2011, being the trading date immediately preceding the date of the Top-up Placing Agreement; and (ii) a discount of approximately 2.93% to the average closing price of HK\$0.546 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 2 September 2011.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent 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 on or after the date of the Top-up Placing Agreement.

**Completion:**

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

**Termination:**

If at any time at or prior to 9:00 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 Top-up 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 Top-up Placing; or
- (ii) any breach of any of the representations and warranties set out in the Top-up 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 Top-up Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Top-up 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 Vendors of any other provision of the Top-up 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 Top-up Placing; or
- (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 Top-up 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 Top-up Placing Agreement without liability to the Company and/or to the Vendors by giving notice in writing to the Vendors, provided that such notice is received prior to 12:00 noon on the Closing Date.

## **THE SUBSCRIPTION AGREEMENT I**

### **Date:**

8 September 2011

### **Parties involved:**

The Company and Mr. Hou Hsiao Bing

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

The number of Subscription Shares is equivalent to the number of the Placing Shares, placed by Mr. Hou Hsiao Bing, being a maximum number of 131,150,000 Subscription Shares (nominal value being HK\$13,115,000).

### **Subscription Price:**

The Subscription Price is HK\$0.53 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 Mr. Hou Hsiao Bing with reference to the Placing Price.

The Company will pay the costs and expenses of the Subscription I, and will repay to Mr. Hou Hsiao Bing his costs and expenses of the Top-up Placing. Assuming 131,150,000 Subscription Shares are being subscribed by Mr. Hou Hsiao Bing, the gross proceeds and net proceeds from the Subscription I to be received by the Company will be HK\$69,509,500 and approximately HK\$64,500,000 respectively. The net price to the Company of each Subscription Share under Subscription I is approximately HK\$0.49.

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

## **THE SUBSCRIPTION AGREEMENT II**

### **Date:**

8 September 2011

### **Parties involved:**

The Company and Mr. Hou Hsiao Wen

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

The number of Subscription Shares is equivalent to the number of the Placing Shares, placed by Mr. Hou Hsiao Wen, being a maximum number of 15,850,000 Subscription Shares (nominal value being HK\$1,585,000).

**Subscription Price:**

The Subscription Price is HK\$0.53 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 Mr. Hou Hsiao Wen with reference to the Placing Price.

The Company will pay the costs and expenses of the Subscription II, and will repay to Mr. Hou Hsiao Wen his costs and expenses of the Top-up Placing. Assuming 15,850,000 Subscription Shares are being subscribed by Mr. Hou Hsiao Wen, the gross proceeds and net proceeds from the Subscription II to be received by the Company will be HK\$8,400,500 and approximately HK\$7,700,000 respectively. The net price to the Company of each Subscription Share under Subscription II is approximately HK\$0.49.

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

**OTHER TERMS OF THE SUBSCRIPTION AGREEMENTS****Ranking:**

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

**Conditions of the Subscriptions:**

The Subscriptions under the Subscription I and the Subscription II are conditional upon (i) the completion of the Top-up 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 Top-up Placing Agreement or such later date as may be agreed between the Company and the Vendors, each of Subscription Agreement I and Subscription Agreement II 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.

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

**Completion of the Subscriptions:**

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

If completion of the Subscriptions does not take place within 14 days after the date of the Top-up Placing Agreement, the Subscriptions under the Subscription Agreements will become connected transactions and the Company is required to comply with all the requirements in relation to connected transactions 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 extraordinary general meeting of the Company held on 20 January 2011. The Directors were authorised to allot and issue up to 147,438,414 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 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 Top-up Placing and the Subscriptions.

## **REASONS OF THE PLACING, THE TOP-UP PLACING AND THE SUBSCRIPTIONS AND THE USE OF PROCEEDS**

The Group is principally engaged in the following business activities:

- (i) implementation and upgrading of self-service automatic teller machine (“ATM”) systems and printing systems as well as related application hardware and software for commercial banks and postal savings bureaus in the PRC;
- (ii) provision of system hardware and software technical support and consultancy services to its customers in respect of self-service ATM systems and printing systems in the PRC;
- (iii) provision of information technology and business solutions to banking and financial institutions; and
- (iv) solar energy generation and related power system integration business in the PRC.

The Directors consider various ways of raising funds and consider that the Top-up Placing and the Subscriptions (formerly, the Placing prior to its termination) represent 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 Subscriptions as general working capital.

The Directors consider that the terms of the Top-up Placing Agreement and the Subscription Agreements (together with the Placing Agreement and its termination) (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.



## SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE TOP-UP PLACING AND THE SUBSCRIPTIONS

Assuming the maximum number of Shares have been subscribed by the Vendors under the Subscriptions, the following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion the Top-up Placing; and (iii) immediately after completion of the Top-up Placing and the Subscriptions:

|   | Shareholding<br>as at the date<br>of this announcement |                      | Shareholding<br>immediately after<br>completion of<br>the Top-up Placing |                      | Shareholding immediately<br>after completion of<br>the Top-up Placing<br>and the Subscriptions |                      |
|---|--|----------------------|--|----------------------|--|----------------------|
|   | No. of Shares  | %                    | No. of Shares  | %                    | No. of Shares  | %                    |
| Hou Hsiao Bing ( <i>note 1</i> )                      | 131,150,000  | 14.67                | –  | –                    | 131,150,000  | 12.60                |
| Hou Hsiao Wen ( <i>note 1</i> )                       | 25,370,000   | 2.84                 | 9,520,000  | 1.06                 | 25,370,000   | 2.44                 |
| Good Million Investments<br>Limited ( <i>note 2</i> ) | 133,000,000  | 14.87                | 133,000,000  | 14.87                | 133,000,000  | 12.77                |
| China Technology Development<br>Group Corporation     | 72,500,000   | 8.11                 | 72,500,000   | 8.11                 | 72,500,000   | 6.96                 |
| The Placees   | –  | –                    | 147,000,000  | 16.44                | 147,000,000  | 14.12                |
| Other public  | <u>532,172,072</u>                                     | <u>59.51</u>         | <u>532,172,072</u>   | <u>59.51</u>         | <u>532,172,072</u>   | <u>51.11</u>         |
| Total ( <i>note 3</i> )                               | <u><u>894,192,072</u></u>                              | <u><u>100.00</u></u> | <u><u>894,192,072</u></u>  | <u><u>100.00</u></u> | <u><u>1,041,192,072</u></u>  | <u><u>100.00</u></u> |

### Notes:

1. Mr. Hou Hsiao Bing and Mr. Hou Hsiao Wen are brothers and are executive Directors.
2. Mr. Chiu Tung Ping and Ms. Yuen Hing Lan, both being executive Directors, held 70% and 30% interest in the entire issued share capital of Good Million Investments Limited. Ms. Yuen Hing Lan is the spouse of Mr. Chiu Tung Ping.
3. The percentage may not add up to 100% due to rounding.

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

Set out below are the equity fund raising activities of the Company in the past 12 months immediately preceding the date of this announcement.

| Date of initial announcement | Nature of transaction  | Net proceeds raised            | Intended use of net proceeds announced                       | Actual use of net proceeds   | Net proceeds not yet utilized |
|------------------------------|--|--------------------------------|--|--|-------------------------------|
| 18 October 2010              | Top-up placing of 78,400,000 Shares  | Approximately HK\$38.5 million | General working capital for the Company's business expansion | For payment of initial deposit of HK\$31,200,000 for the major transaction in relation to the acquisition of the entire issued share capital of China Technology Solar Power Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and the remaining for the acquisition of the common stock of China Technology Development Group Corporation, a company incorporated in the British Virgin Islands and the common stock of which are listed on Nasdaq Capital Market                    | Nil                           |
| 18 October 2010              | Placing of convertible bonds in the aggregate principal amount of HK\$26,000,000 | Approximately HK\$25.4 million | General working capital for the Company's business expansion | For payment of part of the purchase consideration of HK\$23,000,000 for the major transaction in relation to the acquisition of the entire issued share capital of China Technology Solar Power Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and the remaining for the acquisition of the common stock of China Technology Development Group Corporation, a company incorporated in the British Virgin Islands and the common stock of which are listed on Nasdaq Capital Market | Nil                           |

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.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 5 September 2011 pending the issue of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 1:30 p.m. on 8 September 2011.

## **DEFINITIONS**

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

|                     |  |
|---------------------|--|
| “Board”             | the board of Directors   |
| “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”           | China Technology Solar Power 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   |
| “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 20 January 2011 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 of the Company  |
| “Placee(s)”                    | the placee(s) to be procured by the Placing Agent under the Top-up Placing  |
| “Placing Agent”                | Cinda International Securities Limited, a company incorporated in Hong Kong   |
| “Placing Agreement”            | the placing agreement between the Company and the Placing Agent dated 5 September 2011 in relation to the Placing, which was terminated by the parties pursuant to a termination agreement dated 8 September 2011 |
| “Placing Price”                | HK\$0.53 per Placing Share  |
| “Placing Shares”               | a maximum of 147,000,000 new Shares to be issued and placed under the Top-up Placing  |
| “PRC”                          | the People’s 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   |
| “Subscribers” or “Vendors”     | collectively, Mr. Hou Hsiao Bing and Mr. Hou Hsiao Wen  |
| “Subscription I”               | the subscription of the Subscription Shares by Mr. Hou Hsiao Bing pursuant to the Subscription Agreement I  |
| “Subscription II”              | the subscription of the Subscription Shares by Mr. Hou Hsiao Wen pursuant to the Subscription Agreement II  |
| “Subscription Agreement I”     | the subscription agreement between the Company and Mr. Hou Hsiao Bing dated 8 September 2011 in relation to the subscription of a maximum of 131,150,000 Subscription Shares by Mr. Hou Hsiao Bing                |
| “Subscription Agreement II”    | the subscription agreement between the Company and Mr. Hou Hsiao Wen dated 8 September 2011 in relation to the subscription of a maximum of 15,850,000 Subscription Shares by Mr. Hou Hsiao Wen                   |

|                            |   |
|----------------------------|---|
| “Subscription Agreements”  | collectively, the Subscription Agreement I and the Subscription Agreement II  |
| “Subscription Price”       | HK\$0.53 per Subscription Shares  |
| “Subscription Shares”      | new Shares equivalent to the number of the Placing Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements |
| “Subscriptions”            | collectively, the Subscription I and the Subscription II  |
| “Top-up Placing”           | the placing of a maximum of 147,000,000 Shares beneficially owned by the Vendors pursuant to the Top-up Placing Agreement             |
| “Top-up Placing Agreement” | a placing agreement between the Vendors, the Company and the Placing Agent dated 8 September 2011 in relation to the Top-up Placing   |
| “HK\$”                     | Hong Kong dollars, the lawful currency of Hong Kong   |
| “%”                        | per cent.   |

By order of the Board  
**China Technology Solar Power Holdings Limited**  
**Chiu Tung Ping**  
*Chairman and executive Director*

Hong Kong, 8 September 2011

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

*Executive Directors:*

Chiu Tung Ping (*Chairman*)  
Yuen Hing Lan  
Leung King Pak  
Wang Daling  
Hou Hsiao Bing  
Hou Hsiao Wen  
Zeng Xiangyi  
Xu Wei  
Ren Huiye

*Independent non-executive Directors:*

Tam Kam Biu, William  
Zhou Jing  
Yang Guocai

*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.*