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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities or your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Solartech International Holdings Limited (the "Company"), you should at once hand the Prospectus Documents to the purchaser or licensed securities dealer or registered institution in securities or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong takes no responsibility as to the contents of any of these documents.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and the HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

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## SOLARTECH INTERNATIONAL HOLDINGS LIMITED

蒙古礦業控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1166)

### OPEN OFFER OF 1,574,878,250 OFFER SHARES ON THE BASIS OF FIVE (5) OFFER SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE

Financial Adviser to the Company



**KINGSTON CORPORATE FINANCE LTD.**

Underwriter to the Open Offer



**KINGSTON SECURITIES LTD**

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Terms used in this cover shall have the same meanings as defined in this prospectus.

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional (see the section headed "Conditions of the Open Offer" herein) and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (see the section headed "Termination of the Underwriting Agreement" herein). Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that, the Shares have been dealt in on an ex-entitlement basis commencing from Monday, 17 March 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Monday, 14 April 2014), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

\* For identification purposes only

26 March 2014

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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 21 January 2014 in relation to, among other things, the Open Offer and the Issue Mandate
“Application Form(s)”	the application form(s) for use by the Qualifying Shareholders to apply for the Offer Shares
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 25 February 2014 in relation to, among other things, the Open Offer and the Issue Mandate
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Solartech International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Delay Announcement”	the announcement of the Company dated 11 February 2014 in relation to, among other things, the delay in despatch of the Circular
“Director(s)”	director(s) of the Company for the time being
“Existing General Mandate”	the general mandate granted by the Shareholders on 28 November 2013 authorising the Directors to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at that date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected person(s) within the meaning of the Listing Rules
“Issue Mandate”	the general mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM
“Last Trading Day”	21 January 2014, being the last trading day for the Shares before the date of release of the Announcement
“Latest Practicable Date”	21 March 2014, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 9 April 2014 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning ascribed to this term under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	1,574,878,250 Shares to be offered to the Qualifying Shareholders under the Open Offer for subscription on the basis of five (5) Offer Shares for every one (1) existing Share held on the Record Date and payable in full on acceptance pursuant to the terms and subject to the conditions set out in the Underwriting Agreement in relation to the Open Offer
“Open Offer”	the proposed offer for subscription by the Qualifying Shareholders for the Offer Shares at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement

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## DEFINITIONS

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“Overseas Letter”	a letter to be issued by the Company to the Prohibited Shareholder(s) explaining the circumstances in which the Prohibited Shareholder(s) is/are not permitted to participate in the Open Offer
“Overseas Shareholders”	the Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“PRC”	People’s Republic of China
“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Prospectus Documents”	this prospectus and the Application Form in respect of the Offer Shares to be issued by the Company in relation to the Open Offer
“Prospectus Posting Date”	Wednesday, 26 March 2014 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company on the Record Date
“Record Date”	Tuesday, 25 March 2014 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer
“Registrar”	Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company convened and held at 10:00 a.m. on 13 March 2014 for the Shareholders to consider and approve, among other things, the Open Offer, the grant of the Issue Mandate and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before such date would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.12 per Offer Share at which the Offer Shares are proposed to be offered for subscription
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the SFO
“Underwriting Agreement”	the underwriting agreement dated 21 January 2014 (as supplemented by the side letter dated 11 February 2014 to reflect the revised timetable of the Open Offer as set out in the Delay Announcement) entered into between the Company and the Underwriter in relation to the Open Offer
“Untaken Shares”	those (if any) of the Offer Shares for which applications have not been lodged for acceptance or received, as the case may be, on or before the Latest Time for Acceptance
“%”	per cent.

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## EXPECTED TIMETABLE

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Set out below is the expected timetable for the Open Offer:

2014

Latest time for acceptance of and payment for the Offer Shares . . . . .	4:00 p.m. on Wednesday, 9 April
Latest time for the Open Offer to become unconditional . . . . .	4:00 p.m. on Monday, 14 April
Announcement of the results of the Open Offer . . . . .	Tuesday, 15 April
Despatch of certificates for Offer Shares and refund cheques on or before . . . . .	Wednesday, 16 April
Dealing in the Offer Shares commences . . . . .	Thursday, 17 April

All dates and times stated in this prospectus refer to Hong Kong dates times. Dates stated in this prospectus for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE AND PAYMENT FOR THE OFFER SHARES**

The latest time for acceptance of and payment for the Offer Shares will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
  - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 9 April 2014. Instead, the latest time for acceptance of and payment for the Open Offer will be extended to 5:00 p.m. on the same business day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 9 April 2014. Instead, the latest time of acceptance of and payment for the Open Offer will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Offer Shares does not take place at the Latest Time for Acceptance in accordance with the foregoing, the dates mentioned in the section headed “Expected Timetable” in this prospectus may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter,

any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

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**LETTER FROM THE BOARD**

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**SOLARTECH INTERNATIONAL HOLDINGS LIMITED**

**蒙古礦業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1166)**

*Executive Directors:*

CHAU Lai Him (Chairman and Managing Director)

ZHOU Jin Hua (Deputy Chairman)

LIU Dong Yang

BUYAN-OTGON Narmandakh

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent Non-Executive Directors:*

CHUNG Kam Kwong

LO Wai Ming

LO Chao Ming

*Head office and principal*

*place of business:*

Unit 7, 2nd Floor

Kingsford Industrial Centre

13 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

26 March 2014

*To the Qualifying Shareholders, and for information only, the Prohibited Shareholder(s)*

Dear Sir or Madam,

**OPEN OFFER OF  
1,574,878,250 OFFER SHARES ON THE BASIS OF  
FIVE (5) OFFER SHARES FOR EVERY ONE (1) EXISTING SHARE  
HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement, the Delay Announcement and the Circular in relation to the Open Offer and the Issue Mandate.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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The Company proposed to raise approximately HK\$189 million, before expenses, by way of Open Offer of 1,574,878,250 Offer Shares at the Subscription Price of HK\$0.12 per Offer Share on the basis of five (5) Offer Shares for every one (1) existing Share held on the Record Date. The Open Offer will not be extended to the Prohibited Shareholders. The Open Offer is conditional on, among other things, the approval by the Independent Shareholders. In addition to the Open Offer, the Company also proposed to seek a refreshment of the Existing General Mandate.

On 13 March 2014, the resolutions in respect of Open Offer and the grant of Issue Mandate were duly passed by the Independent Shareholders by way of poll at the SGM.

The purpose of this prospectus is to provide you with further details of the Open Offer, including information on dealings in and application for the Offer Shares, and certain financial and other information of the Group.

### THE OPEN OFFER

#### Issue Statistics

Basis of the Open Offer:	five (5) Offer Shares for every one (1) existing Share held on the Record Date
Subscription Price:	HK\$0.12 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	314,975,650 Shares
Number of Offer Shares:	1,574,878,250 Offer Shares
Number of Offer Shares underwritten by the Underwriter:	All the Offer Shares, being 1,574,878,250 Offer Shares. The aggregate nominal value of the Offer Shares is HK\$15,748,782.50
Number of Shares in issue upon completion of the Open Offer:	1,889,853,900 Shares

As at the Latest Practicable Date, the Company does not have any outstanding convertible note, warrant, option, derivative or other securities convertible into or exchangeable for any Share. The Company has no intention to issue or grant any warrants, options and/or convertible securities on or before the Record Date.

Based on the above, a total of 1,574,878,250 Offer Shares will be issued upon the completion of the Open Offer, which represents 500% of the Company's issued share capital as at the Latest Practicable Date and approximately 83.33% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

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## LETTER FROM THE BOARD

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### Subscription Price

The Subscription Price is HK\$0.12 per Offer Share, payable in full upon application. The Subscription Price represents:

- (i) a discount of approximately 66.67% to the closing price of HK\$0.360 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 66.76% to the average of the closing prices of approximately HK\$0.361 per Share for the last five consecutive trading days including and up to the Last Trading Day;
- (iii) a discount of 25.00% to the theoretical ex-entitlement price of approximately HK\$0.160 per Share after the Open Offer, based on the closing price of HK\$0.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 94.34% to the consolidated net tangible asset per Share of approximately HK\$2.120 as at 30 June 2013 based on the consolidated net tangible assets attributable to owners of the Company as at 30 June 2013 and divided by the number of Shares in issue as at the Latest Practicable Date; and
- (v) a discount of approximately 32.20% to the closing price of HK\$0.177 per Share as quoted on Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price of the Shares, the financial position of the Group, the absence of excess application arrangement to Shareholders and having considered the development of the parcel of land situated on the Santai Industrial Zone and the future business development of the Group as detailed under the section headed "Reasons for the Open Offer and use of proceeds" in this prospectus.

The Directors noted the relatively high subscription ratio of the Open Offer, the relatively deep discount to the net tangible assets per Share as at 30 June 2013, and the discount to market price. In order to increase the attractiveness of the Open Offer to encourage the Qualifying Shareholders to take up their own entitlement, the Directors consider that the potential dilution and proposed discounts of the Subscription Price to the market prices and net tangible assets of the Group as at 30 June 2013 to be fair and reasonable, provided that: (i) the Open Offer would provide the required funds to the Group for future development and enhance its existing operation; (ii) the Open Offer could strengthen the capital base of the Group; (iii) the Open Offer is determined on the basis that all Qualifying Shareholders have been offered the same opportunity to maintain their proportional interests in the Company and allows the Qualifying Shareholders to participate in the growth of the Company; (iv) the inherent dilutive nature of open offer in general if the existing Shareholder did not take up his/her/its entitlements under the Open Offer; and (v) the Open Offer is offered with a deeper discount

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## LETTER FROM THE BOARD

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to the Subscription Price to Qualifying Shareholders would encourage them to participate in the Open Offer and to participate in the future development and future growth of the Company, we consider the possible dilution effect on the Independent Shareholders and the discount to be fair and reasonable. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors consider that the Subscription Price, which has been set at a relatively deep discount as described above to reflect, among others, the absence of the excess application arrangement to Shareholders with an objective to lower the further investment cost of Shareholders to encourage them to take up their entitlements and to participate in the potential growth and future development of the Group, to be fair and reasonable and in the interest of the Company and the Shareholders as a whole. For further details please refer to the paragraph headed “No application for excess Offer Shares” in this letter from the Board.

As the estimated net proceeds from the Open Offer will be approximately HK\$183 million, assuming no further issue of new Shares on or before the Record Date, the net price per Offer Share will be approximately HK\$0.116.

### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Prohibited Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date:

- (i) be registered on the register of members of the Company; and
- (ii) not be the Prohibited Shareholders.

### **Prohibited Shareholders**

The Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong.

Based on the register of members of the Company as at the Record Date, the Company had 3 Overseas Shareholders whose addresses are in Canada, the PRC and Singapore respectively with an aggregate shareholding of less than 0.0001% of the total issued share capital of the Company. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with a view of extending the Open Offer to such Overseas Shareholders.

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## LETTER FROM THE BOARD

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The Open Offer will be extended to the Overseas Shareholder in the PRC and Singapore, as the Company has obtained legal advices that no local regulatory compliance is required to be made in these jurisdictions or that the Company can rely on certain private placement exemptions with regard to the offering of the Open Offer to such Overseas Shareholders under the relevant securities law in these jurisdictions. The Company has also obtained an advice from a legal adviser in Canada that local legal and regulatory requirements may have to be complied with if the Open Offer is to be extended to the Shareholders who resided in Canada. In this connection, the Company is of the view that it would not be necessary or expedient to include the Overseas Shareholders in Canada in the Open Offer because of the time and costs involved in complying with the relevant legal and regulatory requirements.

Accordingly, there is 1 Prohibited Shareholder. The Company will send the Overseas Letter together with this prospectus, for information only, to the Prohibited Shareholder. The entitlements of the Prohibited Shareholder under the Open Offer will be taken up by the Underwriter.

It is the responsibility of the Shareholders, including the Overseas Shareholders, to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Offer Shares.

### **Status of the Offer Shares**

The Offer Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

### **Fractions of Offer Shares**

Entitlement to the Open Offer will be rounded down to the nearest whole number. No fractional entitlements to the Offer Shares will be issued to the Qualifying Shareholders and no entitlements of the Prohibited Shareholders to the Offer Shares will be issued to the Prohibited Shareholders. The Offer Shares representing such fractional entitlements and entitlements of the Prohibited Shareholders will be aggregated and taken up by the Underwriter.

### **Odd lots arrangement**

There will be no odd lot arrangement in relation to and as a result of the Open Offer.

### **Certificates of the Offer Shares and refund cheques**

Subject to fulfillment of the conditions of the Open Offer, certificates for the fully-paid Offer Shares are expected to be despatched on or before Wednesday, 16 April 2014 to those entitled thereto by ordinary post at their own risk. If the Open Offer is terminated, refund cheques are expected to be despatched on or before Wednesday, 16 April 2014 by ordinary post at the respective Shareholders' own risk.

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## LETTER FROM THE BOARD

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### **No application for excess Offer Shares**

After arm's length negotiation with the Underwriter, the Board has decided that the Qualifying Shareholders will not be entitled to subscribe for any Offer Shares in excess of their respective assured entitlements. Given that each Qualifying Shareholder will be given equal and fair opportunity to participate in the Open Offer, the Board considers that it will put in additional effort and costs (which is estimated to be approximately HK\$200,000 to HK\$500,000) to administer the excess application procedures, which is not cost effective from the viewpoint of the Company. Notwithstanding excess application arrangement will not be made available to Qualifying Shareholders, the Board considers that a deeper discount to the Subscription Price offered to Qualifying Shareholders would encourage them to participate in the Open Offer and to participate in the future development and future growth of the Company. Any Offer Shares not taken up by the Qualifying Shareholders will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

Notwithstanding the absence of the excess application arrangement which may prevent certain Qualifying Shareholders who wish to take up additional Offer Shares in excess of their assured entitlements, the Company considers that the aforesaid should be balanced against the fact that the terms of the Open Offer are structured with an intention to encourage all the Qualifying Shareholders to take up their respective assured allotment of the Offer Shares as the Subscription Price is set at a deep discount to the prevailing market price of the Shares which provides reasonable incentives to all the Qualifying Shareholders to participate in the Open Offer. On this basis, the Company considers that the absence of the excess application arrangement is acceptable.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscription for the Offer Shares which have not been taken up by the Qualifying Shareholders.

### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange. Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Offer Shares (in board lots of 5,000 each) will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, or any other applicable fees and charges in Hong Kong.

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## LETTER FROM THE BOARD

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### UNDERWRITING ARRANGEMENT

#### Underwriting Agreement

Date:	21 January 2014 (after trading hours)
Underwriter:	Kingston Securities Limited
Total number of Offer Shares:	1,574,878,250 Offer Shares
Total number of Offer Shares underwritten by the Underwriter:	all the Offer Shares, being 1,574,878,250 Offer Shares
Underwriting commission:	payable by the Company to the Underwriter at 2.5% of the aggregate Subscription Price in respect of the maximum number of Offer Shares underwritten by the Underwriter.

The Open Offer is fully underwritten by the Underwriter. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. As at the Latest Practicable Date, the Underwriter is interested in 21 Shares.

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the maximum number of Offer Shares underwritten by the Underwriter. The Company will also pay the Underwriter all reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer. The Directors are of the view that the commission rate is fair and reasonable.

Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer. The Underwriter shall also use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be an Independent Third Party and not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors or chief executive of the Company or substantial shareholder(s) of the Company or their respective associates (as defined in the Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of the voting rights of the Company upon completion of the Open Offer.

As at the Latest Practicable Date, the Underwriter has entered into sub-underwriting agreements with sub-underwriters, who are Independent Third Parties and not acting in concert with the Directors or chief executive of the Company or substantial Shareholders of the Company or their respective associates, to sub-underwrite an aggregate of 1,224,870,000 Offer Shares, representing

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## LETTER FROM THE BOARD

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approximately 77.78% of the Offer Shares and approximately 64.81% of the issued share capital as enlarged by the Offer Shares upon completion of the Open Offer. The Underwriter confirms that none of the sub-underwriters or subscribers will hold 10.0% or more of the voting rights of the Company upon completion of the Open Offer.

### Undertaking

As at the Latest Practicable Date, the Company has not received any information or undertaking provided by any substantial Shareholders of their intention to take up the Offer Shares to be offered to them.

### Conditions of the Open Offer

The Open Offer is conditional upon:

- (1) the passing of all necessary resolutions by the independent Shareholders at the SGM to approve the Open Offer and the transactions contemplated thereunder;
- (2) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively not later than the Prospectus Posting Date of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (3) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (4) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (5) if necessary, the Bermuda Monetary Authority granting consent to the issue of the Offer Shares by the Latest Time for Termination or such other time as the Underwriter may agree with the Company in writing;
- (6) the obligations of the Underwriter in the Underwriting Agreement is not terminated in accordance with its terms at or before the Latest Time for Termination; and
- (7) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects.

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## LETTER FROM THE BOARD

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The conditions precedent are incapable of being waived (other than condition (7) above which can be waived by the Underwriter). If the conditions precedent are not satisfied or waived in whole or in part by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, save for condition (1), none of the conditions above have been fulfilled.

### **Termination of the Underwriting Agreement**

If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

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## LETTER FROM THE BOARD

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- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter,

any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

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## LETTER FROM THE BOARD

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### REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in the manufacturing and trading of cables and wires for use in household electrical appliances and electronic products, copper products and mining business.

As disclosed in the annual report of the Company for the year ended 30 June 2013, the acquisition of Santai Industrial Zone, with an area of approximately 72,000 sq.m., in Changping Town, Dongguan City, by the Group was completed in the year 2012 and the property has been held for lease and generates steady rental income for the Group. According to the management of the Company, as at the Latest Practicable Date, the rental income of Santai Industrial Zone was approximately RMB500,000 per month (or approximately HK\$640,000 per month or HK\$7.7 million per year). In light of the “Three Olds Reform” scheme implemented by the People’s Government of Guangdong Province aiming to transform old towns, old factories and old villages to accompany the rapid economic and social development, the Group intends to transform the Santai Industrial Zone under the “Three Olds Reform” scheme. It is planned that the nature of the Santai Industrial Zone will be changed from industrial to commercial and residential after the transformation. It is expected that the area will become a small, hustle and bustle commercial and residential district with a touch of tranquility in the long run.

In addition, the Company intends to renovate two existing factories owned by the Group in Changping Town, Dongguan City in the PRC. Currently, the travel distance between the two factories is about 5 to 10 minutes by car. The two factories are engaging in manufacturing of cable and wires and copper products respectively. In order to facilitate the future development of the Group, the Board intends to host the two manufacturing facilities in one location, the other factory premises will be vacant and renovated for rental purpose. The Board considers that said transformation of land use nature and the renovation of two existing factories will maximize the return of the Group’s land resources and increase the potential value of the Group’s factory space and increase the production efficiency of the Group.

The Board confirmed that, as at the Latest Practicable Date, the application for the “Three Olds Reform” scheme has been submitted to the relevant regulatory body and pending for process and approval, and the concrete development plan of the Santai Industrial Zone is yet to be finalised, as to whether it will be wholly-developed by the Group or by joint venture or others. Appropriate announcement will be made as and when appropriate in accordance with the Listing Rules.

It is intended that the gross proceeds from the Open Offer will be approximately HK\$189 million. It is intended that the estimated net proceeds, after deducting the underwriting commission of 2.5% on gross proceeds and other expenses in connection with the Open Offer, are approximately HK\$183 million which are intended to be used as to: (i) approximately HK\$40 million for the developing the parcel of land situated on the Santai Industrial Zone from industrial to commercial and residential use, which costs including, but not limited to, the initial development preparation, survey, design fee and public facilities and infrastructure fee payable to the relevant regulatory bodies for the proposed transformation; (ii) approximately HK\$30 million for renovation of two factories owned by the Group in Changping Town, Dongguan City; (iii) approximately HK\$60 million for the repayment of short term loans; and (iv) the remaining proceeds of approximately HK\$53 million for general working capital of the Group.

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## LETTER FROM THE BOARD

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The Board has also considered other fund raising alternatives before resolving to the Open Offer, including but not limited to bank borrowings, share placement and rights issue. In the view that borrowings would result in additional interest burden and higher gearing ratio of the Group, share placement may necessarily dilute the shareholding in the Company of the existing Shareholders, rights issue will involve extra administrative work and cost for the trading arrangements in relation to the nil-paid rights, the Board considers raising funds by way of the Open Offer is more cost effective and efficient, the Open Offer also allows the Group to strengthen its balance sheet without facing the increasing interest rates. The Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

In view of the above, the Directors consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer.

### WARNING OF THE RISK OF DEALINGS IN THE SHARES

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that, the Shares have been dealt in on an ex-entitlement basis commencing from Monday, 17 March 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Monday, 14 April 2014), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

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## LETTER FROM THE BOARD

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### PROCEDURES FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES

Qualifying Shareholders will find enclosed with this prospectus, an Application Form which entitles the relevant Qualifying Shareholder to accept the subscription of the number of Offer Shares shown therein. If a Qualifying Shareholder wishes to exercise his/her/its rights to accept the subscription of the Offer Shares specified in the Application Form, the Qualifying Shareholder must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than 4:00 p.m. on Wednesday, 9 April 2014. All remittances must be by cheques or cashier's orders in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to **Solartech International Holdings Limited — Open Offer Account**.

It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Registrar, by 4:00 p.m. on Wednesday, 9 April 2014, by the original allottee, the relevant assured allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and the relevant Offer Shares will be taken up by the Underwriter.

The Application Form contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept the whole or part of their assured allotment. All cheques and cashier's orders accompanying duly completed Application Form will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or a cashier's order, will constitute a warranty by the relevant Qualifying Shareholder that the cheque and/or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any Application Form in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant assured allotment and all rights and entitlement given pursuant to which will be deemed to have been declined and will be cancelled.

The Application Form is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any monies received under the Open Offer. If the conditions of the Open Offer are not fulfilled before 4:00 p.m. on Monday, 14 April 2014, the monies received in respect of acceptance of the Offer Shares will be returned to the Qualifying Shareholders or, in case of joint holders, to the first-named person without interest by means of cheques despatched by ordinary post to the respective addresses specified in the register of members of the Company at their own risk as soon as practicable thereafter on or before Wednesday, 16 April 2014.

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## LETTER FROM THE BOARD

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### EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structures of the Company as at the Latest Practicable Date and immediately after the completion of the Open Offer are set out below:

Shareholders	As at the Latest Practicable Date		Upon completion of the Open Offer			
			Assuming no Qualifying Shareholders take up their respective entitlements under the Open Offer		Assuming full subscription by the Qualifying Shareholders as to their respective entitlements under the Open Offer	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Underwriter (Note 1)	21	0.00	350,008,271	18.52	126	0.00
Sub-underwriter(s) and subscriber(s) procured by the Underwriter (if any) (Note 1)	—	—	1,224,870,000	64.81	—	—
Other public Shareholders	<u>314,975,629</u>	<u>100.00</u>	<u>314,975,629</u>	<u>16.67</u>	<u>1,889,853,774</u>	<u>100.00</u>
Total	<u><u>314,975,650</u></u>	<u><u>100.00</u></u>	<u><u>1,889,853,900</u></u>	<u><u>100.00</u></u>	<u><u>1,889,853,900</u></u>	<u><u>100.00</u></u>

*Notes:*

- Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer. The Underwriter shall also use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be an Independent Third Party and not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors or chief executive of the Company or substantial shareholder(s) of the Company or their respective associates (as defined in the Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of the voting rights of the Company upon completion of the Open Offer.

As at the Latest Practicable Date, the Underwriter has entered into sub-underwriting agreements with sub-underwriters, who are Independent Third Parties and not acting in concert with the Directors or chief executive of the Company or substantial Shareholders of the Company or their respective associates, to sub-underwrite an aggregate of 1,224,870,000 Offer Shares, representing approximately 77.78% of the Offer Shares and approximately 64.81% of the issued share capital as enlarged by the Offer Shares upon completion of the Open Offer. The Underwriter confirms that none of the sub-underwriters or subscribers will hold 10.0% or more of the voting rights of the Company upon completion of the Open Offer.

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## LETTER FROM THE BOARD

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The Company will take all appropriate steps to ensure that sufficient public float be maintained upon the completion of the Open Offer in compliance with Rule 8.08(1)(a) of the Listing Rules.

### FUND RAISING IN THE PAST 12 MONTHS

Apart from the fund raising activities mentioned below, the Company has not carried out other equity fund raising activities during the 12 months immediately preceding the date of the Announcement.

Date of initial announcement	Fund raising activity	Intended use of net proceeds	Actual use of proceeds
9 December 2013	Placing of 52,490,000 new shares under general mandate	— Approximately HK\$16.2 million for general working capital of the Group	— Approximately HK\$10.2 million has been utilised as intended and approximately HK\$6 million is currently deposited at the bank
27 May 2013	Placing of 75,000,000 new shares under specific mandate	— approximately HK\$12 million for plant and machinery and working capital of the new production lines of the Group; and  — approximately HK\$9.7 million for repayment of trust receipt loans of the Group	— Fully utilised as intended
7 March 2013	Placing of 31,240,000 new shares under general mandate	— approximately HK\$12.0 million for general working capital and repayment of trust receipt loan of the Group	— Fully utilised as intended

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this prospectus.

For and on behalf of the Board  
**Solartech International Holdings Limited**  
**Chau Lai Him**  
*Chairman and Managing Director*

**1. SUMMARY OF FINANCIAL RESULTS**

Financial information of the Group for the years ended 30 June 2011, 30 June 2012 and 30 June 2013, including the notes thereto, have been published in the annual reports of the Company for the years ended 30 June 2011 (pages 22 to 96), 30 June 2012 (pages 26 to 100) and 30 June 2013 (pages 30 to 102) respectively. The unaudited financial information of the Group for the six months ended 31 December 2013, including the notes thereto, has been set out in interim report of the Company for such period (pages 2 to 22). The said annual reports and announcement of the Company are available on the Company's website at [www.1166hk.com](http://www.1166hk.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 31 January 2014, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this prospectus, the Group had total outstanding borrowings of approximately HK\$138,531,000, comprising secured bank loans and secured trust receipt loans of approximately HK\$89,652,000 and HK\$48,647,000 respectively, and obligations under finance leases of approximately HK\$232,000.

The Group's certain items of property, plant and equipment, prepaid lease payments for land and deposits and bank balances with an aggregate carrying value of approximately HK\$191,420,000 as at 31 January 2014 are pledged to banks to secure general banking facilities granted to the Group. The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

Save as aforesaid above and apart from intra-group liabilities and normal trade bills payables arising in the ordinary course of business, at the close of business on 31 January 2014, the Group did not have any other outstanding indebtedness, loan capital, bank overdrafts and liabilities under acceptance (other than normal trade bills) or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits or hire purchase or finance lease commitment, guarantees or contingent liabilities.

The Directors confirm that, save as disclosed therein, there has not been any material change in the indebtedness, contingent liabilities and commitments of the Group since 31 January 2014.

**3. WORKING CAPITAL STATEMENT**

The Directors, after due and careful enquiry, are of the opinion that after taking into account of the financial resources available to the Group including the Group's internally generated funds, the currently available bank and other facilities and the estimated net proceeds from the Open Offer and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements in the next twelve months from the date of this prospectus.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

As mentioned in the annual report 2013, the Group's turnover for the financial year ended 30 June 2013 was approximately HK\$601.6 million, representing a decrease of approximately 1.8% as compared to approximately HK\$612.9 million for the year ended 30 June 2012. The loss attributable to owners of the Company for the year ended 30 June 2013 was approximately HK\$415.1 million as compared to loss attributable to the owners of the Company of approximately HK\$106.1 million for the year ended 30 June 2012.

As mentioned in the 2013-2014 interim report, the Group's turnover for the six months ended 31 December 2013 was approximately HK\$402.8 million, representing an increase of approximately 30.5% as compared to approximately HK\$308.6 million for the six months ended 31 December 2012. The loss attributable to the owners of the Company for the six months ended 31 December 2013 was approximately HK\$18.4 million as compared to loss attributable to the owners of the Company of approximately HK\$13.1 million for the six months ended 31 December 2012.

**Cable and Wires**

The turnover of the cables and wires business for the year ended 30 June 2013 was approximately HK\$201.4 million, representing a decrease of approximately 2.1% as compared to approximately HK\$205.8 million for the year ended 30 June 2012. During the financial year 2013, while the overall global economy was on track for a mild recovery, the economy of the PRC maintains its growth at a stable yet reduced pace. With the Group's effort to reduce costs and increase efficiency, the overall profit margins for this business segment have been improved.

The turnover of the cables and wires business for the six months ended 31 December 2013 was approximately HK\$109.0 million, representing an increase of approximately 8.8% as compared to approximately HK\$100.2 million for the six months ended 31 December 2012. The major customers of the Group's cables and wires business are primarily manufacturers of domestic white goods appliances. During the six months ended 31 December 2013, the global economy, especially in the U.S. and Europe, gradually recovered from economic gloom. Although the economic growth of the PRC has slowed down and recorded a GDP growth of approximately 7.7% in 2013, it is still higher than the expected annual growth of 7.5%, reflecting the PRC economy maintained its continuous and stable growth momentum. With the Group's continuous study on and adjustment to its sales system and expanding its market share during the six months ended 31 December 2013, it resulted in overall improved sales of the Group.

**Copper Rod Business**

The turnover of the copper rod business for the year ended 30 June 2013 was approximately HK\$397.3 million, representing a decrease of approximately 2.4% as compared to approximately HK\$407.1 million for the year ended 30 June 2012. In the financial year 2013, the international copper prices dropped significantly, with the 3-month London Metal Exchange copper price falling from approximately US\$7,600 at the beginning of the year to approximately US\$7,000 at the end of the year. The Group was cautious towards its inventory and deployed most of the capacity of its copper rod business in Dongguan to provide processing services for customers.

The turnover of the copper rod business for the six months ended 31 December 2013 was approximately HK\$280.7 million, representing an increase of approximately 34.7% as compared to approximately HK\$208.5 million for the six months ended 31 December 2012. The copper rod business comprises the manufacturing and trading of copper rods and copper wires and their related products, which are primarily used in the production of electric wires or cables for domestic appliances, electronic products and power supply in infrastructure facilities. During the six months ended 31 December 2013, international copper prices rose, with the 3-month London Metal Exchange copper price rising from approximately US\$7,000 at the beginning of the period to approximately US\$7,400 at the end of the period. The Group was cautious towards its inventory and deployed most of the production capacity of its copper rod business in Dongguan City to provide processing services for customers. During the six months ended 31 December 2013, a significant growth in the turnover of the copper rod business was recorded due to the increase in demand.

**Mining**

The Group currently has two copper mine projects under development in Dundgobi Aimag and Bayan-Ulgii Aimag, Mongolia respectively.

During the six months ended 31 December 2013, additional exploration works have been conducted in the copper mine in Bayan-Ulgii Aimag, Mongolia, in which the Group owns an equity interest of 10%. Nevertheless, as Mongolia's winter from around October every year until the first quarter of the following year is very cold and not suitable for operation, the exploration activities carried out by the Group in Mongolia during such period would suspend accordingly, until the winter is over. During the six months ended 31 December 2013, the Group has prepared for applications for consent, permit and approval required to mine from the relevant government authorities in respect of its copper mine in Dundgobi Aimag.

The global mining industry entered into a downturn since the third quarter of 2012; in addition, laws and policies of Mongolia have kept changing, which have inevitably decreased direct foreign investments. The Group will continue to exercise cautious towards its investment in Mongolia. The Group expects that Mongolia's new Foreign Investment Act and various laws and regulations which are being revised may effectively stabilize the legal environment of foreign investment in the mining industry in Mongolia.

**Prospects**

The Group's Santai Industrial Zone located at Changping Town, Dongguan City is temporarily held for lease. An application has been made to transform the Santai Industrial Zone under the "Three Olds Reform" scheme. In order to support local rapid economic and social development, the Group plans to change the nature of the Zone from industrial to commercial and residential, which would be beneficial to improve land use efficiency and meet the requirement of economical and intensive land use.

In addition, the Group intends to relocate the cables and wires factory in Changping Town, Dongguan City to its nearby copper rod factory, which, on one hand, can obtain benefits in terms of fixed cost and centralized management, on the other hand, the vacated factory space can be used to generate rental income. The Group expects to improve its assets utilization rate through integrating and taking advantage of its resources so as to generate additional rental income.

On 21 January 2014, the Company announced the proposed Open Offer and expected to raise approximately HK\$183 million, subject to approval of the Independent Shareholders. The Group intends to use part of proceeds from the Open Offer for implementing the reform scheme of Santai Industrial Zone as well as renovation and integration of two factories. After completion of the Open Offer, it is expected that the Group will be able to maintain a stable liquidity position to fund its future development. Entering into 2014, the Group will continue to implement its operation plans in a flexible and rapid manner. In addition to putting further efforts on its domestic sales in booming market in the PRC, the Group will be more proactive in exploring major markets in the world in order to further expand its market share in the cables and wires market.

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**APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

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**(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group as if the Open Offer had taken place on 31 December 2013.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purpose only, based on the judgments, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Open Offer actually taken place on 31 December 2013 or any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets of the Group derived from the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2013, as extracted from the published interim report of the Company for the six months ended 31 December 2013 and is adjusted for the effect of the Open Offer.

<b>Unaudited consolidated net tangible assets attributable to owners of the Company as at 31 December 2013</b>	<b>Estimated net proceeds from the Open Offer</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company after the Open Offer</b>	<b>Unaudited consolidated net tangible assets attributable to owners of the Company per Share as at 31 December 2013</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 31 December 2013</b>
(Note 1)	(Note 2)	(Note 4)	(Note 3)	(Note 4)
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$</i>
Based on the Subscription Price of HK\$0.12 per Offer Share	693,183	182,977	876,160	2.20
				0.46

*Notes:*

- (1) The consolidated net tangible assets attributable to owners of the Company as at 31 December 2013 is based on the consolidated net assets attributable to owners of the Company of approximately HK\$1,516,282,000 as at 31 December 2013 after deducting mining right and exploration and evaluation assets of approximately HK\$802,583,000 and HK\$20,516,000 respectively.
- (2) The estimated net proceeds from the Open Offer are approximately HK\$182,977,000 calculated based on 1,574,878,250 Offer Shares to be issued at the Subscription Price of HK\$0.12 per Offer Share, and after the deduction of the estimated direct legal and professional costs of approximately HK\$6,008,000.

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## APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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- (3) The calculation of consolidated net tangible assets attributable to owners of the Company per Share as at 31 December 2013 is based on the consolidated net tangible assets attributable to owners of the Company of approximately HK\$693,183,000 and 314,976,000 Shares in issue as at 31 December 2013.
- (4) The calculation of unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 31 December 2013 is based on the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company after the Open Offer of approximately HK\$876,160,000; and approximately 1,889,854,000 Shares in issue immediately following the completion of the Open Offer which comprise the 314,976,000 Shares in issue as at 31 December 2013 and approximately 1,574,878,000 Offer Shares to be issued to the Qualifying Shareholders on the basis of five Offer Shares for every one existing Share of the Company held on the Record Date.
- (5) Save as disclosed above, no adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 31 December 2013.

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## APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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*The following is the text of an accountants' report, prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the Unaudited Pro Forma Financial Information of the Group.*

### **(B) ASSURANCE REPORT ON UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**



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香港干諾道中111號  
永安中心25樓

26 March 2014

The Board of Directors  
Solartech International Holdings Limited  
No. 7, 2nd Floor  
Kingsford Industrial Centre  
13 Wang Hoi Road  
Kowloon Bay, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Solartech International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2013 and related notes as set out on Section A of Appendix II to the prospectus issued by the Company dated 26 March 2014 (the “Prospectus”) (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed open offer (the “Open Offer”) on the Group’s consolidated net tangible assets attributable to the owners of the Company as at 31 December 2013 as if the Open Offer had taken place as at 31 December 2013. As part of this process, information about the Group’s financial position as at 31 December 2013 has been extracted by the Directors from the Group’s consolidated financial statements for the six months ended 31 December 2013, on which no audit or review report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(1) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Open Offer on unadjusted financial information of the Group as if transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

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## APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,  
**BDO Limited**  
*Certified Public Accountants*  
Hong Kong

**1. RESPONSIBILITY STATEMENT**

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 prospectus 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 of this prospectus misleading.

**2. SHARE CAPITAL**

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Open Offer (assuming no further issue of Shares from the Latest Practicable Date up to completion of the Open Offer) was and will be as follows:

**As at the Latest Practicable Date**

*Authorised:* *HK\$*

<u>50,000,000,000</u> Shares	<u>500,000,000.00</u>
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*Issued and fully paid:* *HK\$*

<u>314,975,650</u> Shares in issue as at the Latest Practicable Date	<u>3,149,756.50</u>
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**Immediately after completion of the Open Offer**

*Authorised:* *HK\$*

<u>50,000,000,000</u> Shares	<u>500,000,000.00</u>
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*Issued and fully paid:*

314,975,650 Shares in issue as at the Latest Practicable Date	3,149,756.50
<u>1,574,878,250</u> Offer Shares to be issued pursuant to the Open Offer	<u>15,748,782.50</u>

<u>1,889,853,900</u> Shares following the completion of the Open Offer	<u>18,898,539.00</u>
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All issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Offer Shares to be allotted and issued will, when issued and fully paid, rank pari passu in all respects with the Shares then in issue.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company did not have any outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

### **3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at the Latest Practicable Date, none of the Directors or chief executives of the Company or their respective associates had any personal, family, corporate and other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors was a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## 4. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholder	Capacity	Long position/short position	Number of Shares interested	Approximate percentage of the issued share capital of the Company as enlarged by the issue of the Offer Shares	Notes
The Underwriter	Beneficial owner	Long position	1,574,878,271	83.33%	1
Galaxy Sky Investments Limited	Interest in controlled corporation	Long position	1,574,878,271	83.33%	1
Kingston Capital Asia Limited	Interest in controlled corporation	Long position	1,574,878,271	83.33%	1
Kingston Financial Group Limited	Interest in controlled corporation	Long position	1,574,878,271	83.33%	1
Active Dynamic Limited	Interest in controlled corporation	Long position	1,574,878,271	83.33%	1
Ms. Chu Yuet Wah	Interest in controlled corporation	Long position	1,574,878,271	83.33%	1

*Note:*

- The 1,574,878,271 Shares are the Offer Shares which the Underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. The Underwriter is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 40.24% interest in Kingston Financial Group Limited. Ms. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.

**5. INTEREST OF DIRECTORS**

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**6. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

**7. COMPETING INTEREST**

As at the Latest Practicable Date, none of the Directors and his respective associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's businesses.

**8. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

**9. EXPERTS AND CONSENTS**

The following are the qualifications of the expert who has given opinion and advice, contained in this prospectus:

<b>Name</b>	<b>Qualifications</b>
BDO Limited	Certified Public Accountants

As at the Latest Practicable Date, BDO Limited has given their written consent to the issue of this prospectus with the inclusion therein of their report and references to its name in the form and context in which they appear in this prospectus.

As at the Latest Practicable Date, BDO Limited (i) was not interested, either directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up; and (ii) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**10. EXPENSES**

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$6 million, which are payable by the Company.

**11. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (i) the Underwriting Agreement;
- (ii) the side letter supplemental to the Underwriting Agreement entered into between the Company and the Underwriter on 11 February 2014 to reflect the revised timetable of the Open Offer as set out in the Delay Announcement;

- (iii) the placing agreement entered into between the Company and Kingston Securities Limited (the “Placing Agent”) on 9 December 2013 pursuant to which the Placing Agent agreed to place, on a best effort basis, up to 52,490,000 Shares at a price of HK\$0.32 per Share. The placing was completed on 17 December 2013 and a total of 52,490,000 Shares were placed. Details of the placing were set out in the announcement of the Company dated 9 December 2013;
- (iv) the placing agreement entered into between the Company and the Placing Agent on 27 May 2013 pursuant to which the Placing Agent agreed to place, on a best effort basis, a maximum of 75,000,000 Shares at a price of HK\$0.30 per Share. The placing was completed on 9 August 2013 and a total of 75,000,000 Shares were placed. Details of the placing were set out in the circular of the Company dated 10 June 2013;
- (v) the placing agreement entered into between the Company and the Placing Agent on 7 March 2013 pursuant to which the Placing Agent agreed to place, on a best effort basis, up to 31,240,000 Shares at a price of HK\$0.40 per Share. The placing was completed on 20 March 2013 and a total of 31,240,000 Shares were placed. Details of the placing were set out in the announcement of the Company dated 7 March 2013;
- (vi) the placing agreement entered into between the Company and the Placing Agent on 29 November 2012 pursuant to which the Placing Agent agreed to place, on a best effort basis, a maximum of 17,650,000 Shares at a price of HK\$0.375 per Share. The placing was completed on 10 December 2012 and a total of 17,650,000 Shares were placed. Details of the placing were set out in the announcement of the Company dated 29 November 2012; and
- (vii) the placing agreement entered into between the Company and the Placing Agent on 22 March 2012 pursuant to which the Placing Agent agreed to place, on a best effort basis, a maximum of 880,000,000 Shares at a price of HK\$0.07 per Share. The placing was completed on 25 May 2012 and a total of 880,000,000 Shares were placed. Details of the placing were set out in the circular of the Company dated 17 April 2012.

**12. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE OPEN OFFER**

<b>Board of Directors</b>	<b>Executive Director</b>	<b>Address:</b>
	Mr. Chau Lai Him	Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong
	Mr. Zhou Jin Hua	Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong
	Mr. Liu Dong Yang	Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong
	Mr. Buyan-Otgon Narmandakh	Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong

<b>Board of Directors</b>	<b>Independent non-executive Directors</b>	<b>Address:</b>
	Mr. Chung Kam Kwong	Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong
	Mr. Lo Wai Ming	Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong
	Mr. Lo Chao Ming	Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong
<b>Authorised representatives</b>	Mr. Chau Lai Him Ms. Chan Kam Yee, Shirley	<b>Address:</b> Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong
<b>Registered office</b>	Clarendon House 2 Church Street Hamilton HM 11 Bermuda	
<b>Head office and principal place of business in Hong Kong</b>	Unit 7, 2nd Floor Kingsford Industrial Centre 13 Wang Hoi Road Kowloon Bay Kowloon Hong Kong	

<b>Principal share registrar and transfer office in Bermuda</b>	Butterfield Fulcrum Group (Bermuda) Limited 26 Burnaby Street Hamilton HM11 Bermuda
<b>Branch share registrar and transfer office in Hong Kong</b>	Tricor Secretaries Limited <i>Existing Address:</i> 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai, Hong Kong <i>New Address</i> <i>(with effect from 31 March 2014):</i> Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
<b>Auditor</b>	BDO Limited <i>Certified Public Accountants</i> 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
<b>Underwriter</b>	Kingston Securities Limited Suite 2801 28th Floor, One IFC 1 Harbour View Street Central, Hong Kong
<b>Principal bankers</b>	Bank of China Limited No. 72, Guantai Road, Dongguan, Guangdong, China  China CITIC Bank Corporation Limited 1st Floor, Nan Feng Center, Hongfu Road, Nan Cheng District, Dongguan, Guangdong, China  DBS Bank (Hong Kong) Limited 16th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong
<b>Website</b>	<a href="http://www.1166hk.com">www.1166hk.com</a>
<b>Legal advisers to the Company in relation to the Open Offer</b>	As to Hong Kong law: Herbert Smith Freehills 23rd Floor, Gloucester Tower 15 Queen's Road Central Hong Kong

**13. BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT****Executive Directors**

**Mr. CHAU Lai Him**, aged 62, is the chairman and managing Director of the Group and the founder of the Group. Mr. Chau has been appointed as an executive Director since November 1996. He is responsible for the overall management, strategic planning and business development of the Group. He has more than 30 years' experience in the cable and wire industry and extensive experience in the mining industry.

**Mr. ZHOU Jin Hua**, aged 56, joined the Group in 1986 and is the deputy chairman of the Company and the general manager of the Group's Dongguan manufacturing facilities. Mr. Zhou has been appointed as an executive Director since November 1996. He is responsible for the day-to-day operations of the Group's Dongguan manufacturing facilities including production, sales and marketing and business development. He has more than 25 years' experience in the manufacturing of cable and wire products.

**Mr. LIU Dong Yang**, aged 39, joined the Group in September 1995 and has been appointed as an executive Director since January 2010. Mr. Liu is the deputy general manager of Shanghai Chau's Electrical Company Limited and is responsible for the financial matters for the trading and manufacturing operations in Shanghai. He holds a college diploma in international finance from Hunan Finance and Economics College, a bachelor degree in business administration from the distance education college of Renmin University of China. He has more than 15 years' experience in finance and accounting.

**Mr. BUYAN-OTGON Narmandakh**, aged 39, has been appointed as an executive Director since July 2010 and has focused on resources and investments and finance in Mongolia. He holds a diploma in accounting from the Mongolian State University of Agriculture, a graduate diploma in public administration from the Government of Mongolia Academy of Management and a degree of M.B.A. in accounting from the National University of Mongolia. He has extensive experience in banking and finance in Mongolia.

**Independent Non-executive Directors**

**Mr. CHUNG Kam Kwong**, aged 56, has been appointed as an independent non-executive Director since March 2003. Mr. Chung is a practising Certified Public Accountant in Hong Kong, a fellow certified public accountant of the Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and a supervisory council member of the Macau Society of Certified Practising Accountants. He holds a bachelor degree in economics from the University of Hull, United Kingdom and a post graduate diploma of financial management from the University of New England, Australia. Mr. Chung has extensive experience in accounting and financial management and is an independent non-executive director of Truly International Holdings Limited (stock code: 732) which is listed on the main board of the Stock Exchange.

**Mr. LO Wai Ming, Paulus**, aged 62, has been appointed as an independent non-executive Director since January 2000. Mr. Lo is the president of Greater China Asset Management Limited. He is also the director and general manager of SW China Strategic Holdings Limited. He has over 30 years' extensive experience in capital investment, consumer marketing, infrastructure investment and management, business development and corporate finance. He holds a bachelor degree in Social Sciences (Hons) and a master degree in business administration from the Chinese University of Hong Kong. He is a member of the Chartered Institute of Marketing and the Chartered Management Institute of the United Kingdom.

**Mr. LO Chao Ming**, aged 49, has been appointed as an independent non-executive Director since November 2006. He is the general manager of Sunf Pu Technology Co., Ltd., a company incorporated in Taiwan, Republic of China. He has more than 25 years' experience in the cable and wire industry.

### Senior Management

**Ms. LAM Sui Lan**, Miranda, aged 44, rejoined the Group in March 2004 and is the assistant to managing director of Chau's Electrical Co., Ltd. She holds a bachelor's degree of arts, major in business administration from the University of Northumbria at Newcastle, the United Kingdom and a higher diploma in business studies from the City University of Hong Kong. She has more than 15 years' experience in sales and marketing in the field of cable and wire products.

**Mr. CHAU Chi Ho**, aged 32, rejoined the Group in August 2010. He is the assistant finance manager of Chau's Electrical Company Limited ("Chau's") and is a director of Santai Electronics Limited ("Santai"). He is responsible for accounting and financial management of Chau's and Santai's and their subsidiaries in Dongguan. He holds a bachelor's degree in Business Administration from the California State Polytechnic University Pomona, United States and has extensive experience in auditing, finance and accounting experience. He is the son of Mr. Chau Lai Him.

**Mr. ZHOU Qi Qin**, aged 50, joined the Group in November 1988 and is the operations manager of Dongguan Qiaozi Chau's Electrical Co., Ltd. He is responsible for the production operations of the Dongguan Qiaozi manufacturing facilities. He has more than 20 years' experience in manufacturing management.

**Mr. YUEN Hoi Cheung**, aged 46, joined the Group in March 1985 and is the operations manager of Dongguan Hua Yi Brass Products Company Limited ("Dongguan Hua Yi"). He is responsible for materials control, production planning, purchasing, warehouse management and customer services of the Dongguan Hua Yi manufacturing facilities. He has more than 25 years' experience in operations management.

### 14. MISCELLANEOUS

- (i) Ms. Chan Kam Yee, Shirley, the company secretary of the Company, is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

- (ii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (iii) The English text of this prospectus shall prevail over their respective Chinese texts in the case of inconsistency.

#### **15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents and the consent letter referred to in the paragraph headed “Expert and Consent” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

#### **16. BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

#### **17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company at Unit 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours on any weekday other than public holidays, from the date of this prospectus up to and including 14 April 2014:

- (i) the bye-laws of the Company;
- (ii) the annual reports of the Company for the years ended 30 June 2012 and 2013 and the interim report of the Company for the six months ended 31 December 2013;
- (iii) the unaudited pro forma statement of consolidated net tangible assets of the Group, the text of which is set out in Appendix II to this prospectus;

- (iv) the assurance report from BDO Limited on the compilation of the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (v) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix;
- (vi) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix; and
- (vii) this prospectus.