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德泰中華投資有限公司
SINO KATALYTICS INVESTMENT CORPORATION
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 02324)

PLACING OF NEW SHARES UNDER THE SPECIFIC MANDATE

Placing agent



VC Brokerage Limited

Placing of new Shares

Reference is made to the Specific Mandate Circular.

In relation to and as part of the transaction contemplated under the Specific Mandate, on 12 October 2009, the Company has entered into the Placing Agreement with the Placing Agent in relation to the Placing. Pursuant to the Placing Agreement, the Company has conditionally agreed to place, through the Placing Agent on a best-efforts basis, 100,000,000 Shares at HK\$0.30 per Share.

Assuming full placement of all Placing Shares comprising 100,000,000 new Shares, they represent about 38.79% of the existing issued share capital of the Company of 257,822,178 Shares and about 27.95% of the issued share capital of the Company of 357,822,178 Shares as enlarged by the Placing as at the date of this announcement.

The Placing Price represents: (i) a discount of approximately 9.09% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on 12 October 2009; (ii) a discount of approximately 6.25% to the average closing price per Share of HK\$0.32 as quoted on the Stock Exchange for the last five trading days up to and including 12 October 2009; and (iii) a discount of about 71.6% to the unaudited net asset value per share of HK\$1.0555 as at 31 August 2009.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

THE PLACING AGREEMENT

In relation to and as part of the transaction contemplated under the Specific Mandate, on 12 October 2009, the Company has entered into the Placing Agreement with the Placing Agent in relation to the Placing.

Parties

- (a) The Company; and
- (b) The Placing Agent

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and not connected persons of the Company.

The Placing

The Company has conditionally agreed to place the Placing Shares, through the Placing Agent to not fewer than 6 Placees on a best-efforts basis and none of whom will become a substantial shareholder of the Company as a result of the completion of the Placing. The Company will issue a further announcement upon completion of the Placing.

Placees

The Placees (and their respective ultimate beneficial owners) will be third parties independent of and not connected with the Company and its connected persons.

Placing Shares

The Placing Shares shall be offered to the Placees in board lots of 10,000 Shares and the minimum subscription size per Placee shall not be less than HK\$500,000 (excluding placing commission, where applicable).

Assuming full placement of all Placing Shares comprising 100,000,000 new Shares, they represent approximately 38.79% of the existing issued share capital of the Company of 257,822,178 Shares and about 27.95% of the issued share capital of the Company of 357,822,178 Shares as enlarged by the Placing Shares as at the date of this announcement.

The Placing Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges and encumbrances and together with all rights attaching to them including the right to receive all dividends declared, made or paid on or after the date of allotment and issue.

Placing Price

The Placing Price represents: (i) a discount of approximately 9.09% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on 12 October 2009; (ii) a discount of approximately 6.25% to the average closing price per Share of HK\$0.32 as quoted on the Stock Exchange for the last five trading days up to and including 12 October 2009; and (iii) a discount of about 71.6% to the unaudited net asset value per share of HK\$1.0555 as at 31 August 2009.

The estimated expenses for the Placing are approximately HK\$500,000, comprising placing commission (1.25% of the gross proceeds from the Placing, if implemented in full), and other professional fees and expenses. Assuming that all the Placing Shares are successfully placed, the net price to the Company of each Placing Share is approximately HK\$0.295 per Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the recent trading price of the Shares. The Board also considers that the terms of the Placing Agreement to be fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Condition Precedent of the Placing Agreement

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares. Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing

Subject to satisfaction of the condition precedent set out above, completion of the Placing Agreement is expected to take place on or before the Completion Date, i.e. 27 October 2009.

Termination of the Placing

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing to the Company at any time prior to 9:30 a.m. on the Completion Date upon the occurrence of any of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions, affairs or prospects of the Company or the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in this Agreement:

- (A) there develops, occurs or comes into force:
 - (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iii) any material change in conditions of local, national or international securities markets occurs; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere; or
 - (vi) any litigation or claim being instigated against the Company or any member of the Group;
or
- (B) any material breach of any of the representations and warranties by the Company set out in the Placing Agreement or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (C) there is any adverse change in the financial position of the Company which is material in the context of the Placing;

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company provided that such notice is received

prior to 9:30 a.m. on the Completion Date.

Upon the giving of the above mentioned notice by the Placing Agent to the Company, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement; and outstanding liabilities under the terms of the Placing Agreement.

Specific Mandate to Issue New Shares

The Placing Shares will be issued pursuant to the Specific Mandate which was granted at the EGM and under which a maximum of 1,742,177,822 Shares may be issued. As a result, the Placing and the issue of Placing Shares are not subject to the approval of the Shareholders.

As at the date of this announcement, the Company has not issued any Shares pursuant to the Specific Mandate. Assuming the Placing Shares will be successfully placed, the Company may further issue 1,642,177,822 Shares pursuant to the Specific Mandate.

Reason for the Placing and Use of Net Proceeds

The Company and its subsidiaries are principally engaged in investment in listed and unlisted companies mainly in Hong Kong and the PRC. The Directors consider that the Placing will increase the capital base of the Company for future investment purposes and broaden its shareholder basis without any interest burden. Please refer to the Specific Mandate Circular for further details on the reasons on the issuance of new Shares under the Specific Mandate.

Assuming the Placing Shares are successfully placed, the net proceeds from the subscription of the Placing Shares will be approximately HK\$29.5 million. The Company currently plans to use the net proceeds according to the investment policies and objectives of the Company and particularly on making more sizeable new investments with attractive returns particularly in the PRC, which are more particularly set out in the Specific Mandate Circular. Please refer to the Specific Mandate Circular for further details on the use of proceeds on the issuance of Shares under the Specific Mandate.

POSSIBLE CHANGE IN THE SHAREHOLDING STRUCTURE

Further to the illustration in the possible change in share capital and shareholding structure as a result of the full implementation of the issuance of Shares under the Specific Mandate as set out in the Specific Mandate Circular, for illustrative purposes only, assuming that all the Placing Shares have been successfully placed, the change in the shareholdings of the Company will be as follows:

Shareholders	Existing (as at the date of this announcement)		Immediately after the Placing of all the Placing Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Chui (Note 1)	36,035,000	13.98	36,035,000	10.07
Mr. Chow	180,000	0.07	180,000	0.05
Public Shareholders:				
Places	-	-	100,000,000	27.95
Other public Shareholders	221,607,178	85.95	221,607,178	61.93
Total	257,822,178	100.00	357,822,178	100.00

Notes:

(1) Mr. Chui is personally interested in 23,265,000 shares and deemed to be interested in 12,770,000 shares by

virtue of his control in FLM Investment Limited.

(2) *The percentages shown are rounded to the nearest 2 decimal places.*

DETAILS OF PREVIOUS FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past 12 months before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
17 December 2008	Issue of convertible bond which can be converted to 180,000,000 fully-paid Shares	Approximately HK\$8 million	Intended to be fully utilized for the Group's business development and general working capital	Approximately HK\$6 million for identified investment projects; and HK\$2 million for working capital
13 January 2009	Placing of 150,150,000 new Shares	Approximately HK\$6 million	Intended to be used for general working capital and/or possible investment in the future	Approximately HK\$6 million has been used for working capital
17 June 2009	Subscription of 6,940,363 new Shares	Approximately HK\$ 2.15 million	Intended to be used for general working capital	Approximately HK\$2.15 million has been used for working capital

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“Board”	the board of Directors
“Company”	Sino Katalytics Investment Corporation, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange
“Completion Date”	on or before 27 October 2009, or such later date as the Completion and the Placing Agent shall agree
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 2 October 2009 to approve, amongst other things, the Specific Mandate
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chow”	Mr. Chow Ka Wo, Alex, being a Shareholder and an executive Director
“Mr. Chui”	Mr. Chui Tak Keung, Duncan, being a Shareholder and an executive Director
“Placee(s)”	the professional or institutional investor(s) procured by or on behalf of the Placing Agent or its agent(s) to subscribe any of the Placing Shares
“Placing”	the placing of the Placing Shares to not fewer than 6 Placees on a best-efforts basis by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and 4 (advising on securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 12 October 2009 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.30 per Share
“Placing Shares”	100,000,000 new Shares
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to issue new Shares approved by the Shareholders at the EGM to authorize the Directors to allot and issue new Shares, details of which are set out in Specific Mandate Circular;
“Specific Mandate Circular”	the announcement dated 15 September 2009 and the circular dated 16 September 2009 of the Company which set out the details of the Specific Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Chui Tak Keung, Duncan
Chairman

Hong Kong, 12 October 2009

As at the date of this announcement, the Board comprises executive directors Mr. Chui Tak Keung, Duncan (Chairman), Mr. Yau Chung Hong and Mr. Chow Ka Wo, Alex; non-executive director Mr. Ma Kwok Keung, Kenneth; and independent non-executive directors Mr. Lam Kwan, Mr. Chan Ming Sun, Jonathan and Mr. Shiu Siu Tao.