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CHINA SCI-TECH HOLDINGS LIMITED

(中國科技集團有限公司)\*

*(Incorporated in Cayman Islands with limited liability)*

## **SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE**

The Board is pleased to announce that on 30 June, 2003, the Company agreed to place 1,150,000,000 Subscription Shares to Sunderland at HK\$0.02 per Subscription Share.

The Subscription Shares represent approximately 19.80% of the existing issued share capital of the Company of 5,806,770,004 Shares and approximately 16.53% of the Company's issued share capital as enlarged by the Subscription. The net proceeds from the Subscription will be used as the general working capital of the Company.

Sunderland paid a deposit equivalent to the total proceeds for the Subscription to the Company on 30 June, 2003 and the full amount will be refunded, without interest, to Sunderland if the condition of the Subscription mentioned below is not satisfied by 15 July, 2003, or such other date as the parties may agree.

The completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

### **The Subscription**

#### **Issuer**

The Company

#### **Placee**

Sunderland and its beneficial owner are independent third parties and not connected persons (as defined in the Listing Rules) of the Company. Sunderland is ultimately and beneficially owned by Mr. Eugene Chuang Yue-chien.

#### **Subscription price**

The subscription price is HK\$0.02 per Subscription Share. This price was agreed at after arm's length negotiations between the Company and Sunderland. It is (i) equivalent to the closing price of HK\$0.02 per Share quoted on the Stock Exchange on 30 June, 2003; and (ii) represents a discount of approximately 4.76% to the average closing price of HK\$0.021 per

Share as quoted on the Stock Exchange from 17 June, 2003 to 30 June, 2003, both dates inclusive, being the last ten full trading days immediately before the signing of the Subscription Agreement. The Board considers that the subscription price is fair and reasonable and is in the interests of the Company and its shareholders as a whole.

### **Ranking of the Subscription Shares**

The Subscription Shares will on issue rank equally in all respects with the then existing Shares save for any dividend or other distribution declared, made or paid by the Company by reference to a record date falling before the date of issue of the Subscription Shares.

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

1,150,000,000 new Shares will be issued, representing approximately 19.80% of the existing issued share capital of the Company of 5,806,770,004 Shares and approximately 16.53% of the Company's issued share capital as enlarged by the Subscription.

### **General Mandate**

The Subscription Shares will be issued pursuant to the General Mandate, which has not been utilized before.

### **Reasons for the Subscription and Use of proceeds**

The Subscription represents an opportunity to raise capital for the Company while broadening the capital base of the Company. The net proceeds from the Subscription, which are estimated to be approximately HK\$22 million, will be used as general working capital of the Company.

Sunderland paid a deposit equivalent to the total Subscription price to the Company on 30 June, 2003 and the full amount will be refunded, without interest, to Sunderland if the condition mentioned below is not satisfied by 15 July, 2003, or such other date as parties may agree.

### **Condition of the Subscription**

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

### **Completion**

The Subscription is to be completed on the next business day (or such other date as the parties may agree) after satisfaction of the condition specified in the section headed "Condition of the Subscription" above.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY**

As at the date of this announcement, according to the information available to the Company, Dr. Ho is the only substantial beneficial shareholder of the Company holding 935,750,000 Shares, representing approximately 16.11% of the existing issued share capital of the Company. Upon the completion of the Subscription and assuming he does not dispose or acquire any Shares before then, Dr. Ho will be beneficially interested in approximately 13.45% of the issued share capital of the Company as enlarged by the Subscription, Sunderland will become a substantial beneficial shareholder of the Company beneficially holding 1,150,000,000 Shares, representing approximately 16.53% of the issued share capital of the Company as enlarged by the Subscription and as far as the Company is aware, the remaining 4,871,020,004 Shares, representing approximately 70.02% of the issued share capital of the Company as enlarged by the Subscription is held by the public.

Sunderland intends to hold the Subscription Shares for investment purposes. Sunderland and its beneficial owner do not intend to appoint any representatives to the Board and currently does not have any plans to inject any assets or businesses into the Company following the completion of the Subscription.

The Company was approached by Sunderland and the parties entered into the Subscription after arms' length negotiation.

## **FUNDS RAISED BY THE COMPANY DURING THE 12 MONTHS ENDED 31 MAY, 2003**

During the 12 months ended 31 May, 2003, the Company has not carried out any fund raising activities.

## **INFORMATION ABOUT THE COMPANY**

The principal activity of the Company is investment holding that includes properties development and investment as well as securities investment in listed and unlisted companies.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings:-

“Board”	the board of directors of the Company
“Company”	China Sci-Tech Holdings Limited, a limited liability company incorporated in Cayman Islands and the shares of which are listed on the Stock Exchange
“Dr. Ho”	Dr. Stanley Ho Hung Sun, the sole substantial shareholder of the Company

“General Mandate”	the general mandate granted by shareholders of the Company to the Board to issue new Shares at the annual general meeting of the Company held on 28 August, 2002
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Subscription”	the conditional subscription of the Subscription Shares pursuant to the General Mandate
“Subscription Shares”	the 1,150,000,000 new Shares agreed to be conditionally issued by the Company and subscribed by Sunderland pursuant to the Subscription
“Sunderland”	Sunderland Properties Limited, which is beneficially held by Mr. Eugene Chuang Yue-chien
“HK\$”	Hong Kong dollars

By Order of the Board  
**China Sci-Tech Holdings Limited**  
**Chiu Kong**  
*Chairman*

Hong Kong, 30 June, 2003

\* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard.