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TECH PRO TECHNOLOGY DEVELOPMENT LIMITED

德普科技發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 03823)

PRIVATE PLACING OF NON-LISTED WARRANTS UNDER GENERAL MANDATE

Placing Agent



ENLIGHTEN

ENLIGHTEN SECURITIES LIMITED

THE PLACING AGREEMENT

On 3 February 2012 the Company entered into the Placing Agreement with the Placing Agent in connection with the Placing, on a best effort basis, to place 140,000,000 Warrants conferring rights to subscribe for HK\$371,000,000 in aggregate in cash, for 140,000,000 new Shares at the Exercise Price of HK\$2.65 per Share (subject to adjustment upon the occurrence of any of the Adjustment Events and other dilutive events which may have adverse effects on the rights of the holder of the Warrants) to not fewer than six (6) Placees who and their respective ultimate beneficial owners are Independent Third Party.

The Warrants are to be placed at a Placing Price of HK\$0.05 per Warrant. The Placing is conditional upon several conditions as set out in the paragraph headed "Conditions of the Placing" in the section headed "The Placing Agreement" in this announcement.

The new Shares issued upon exercise of the subscription rights attaching to the Warrants will be issued under the General Mandate.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

THE PLACING AGREEMENT

Date

3 February 2012 (after trading hour)

Issuer

The Company

Placing Agent

Enlighten Securities Limited, who and whose ultimate beneficial owners are Independent Third Parties. The Placing Agent will charge the Company a placing commission of 1% on the aggregate Placing Price in respect of such number of Warrants placed by it. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the market rate and the price performance of the Shares. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placees shall be individual, corporate and/or institutional investors and securities dealers. Each of the Placees and its respective ultimate beneficial owner are Independent Third Party. The Warrants will be placed to not fewer than six (6) Placees.

Number of Warrants

140,000,000 Warrants.

Placing Price

The Placing Price is HK\$0.05 per Warrant

Exercise Price

HK\$2.65 per new Share, subject to adjustment upon the occurrence of any of the Adjustment Events and other dilutive events which may have adverse effects on the rights of the holder of the Warrants.

The aggregate of the Placing Price of HK\$0.05 per Warrant and the Exercise Price of HK\$2.65 per Share, i.e. HK\$2.70, represented (i) a discount of approximately 9.09% over the closing price of HK\$2.97 per Share quoted on the Stock Exchange on the Last Trading Day, and (ii) a discount of approximately 10.12% over the average of the closing prices of HK\$3.004 per Share for the last five trading days for the Shares up to and including 2 February 2012, being the date immediately prior to the Last Trading Day.

The Exercise Price of HK\$2.65 per Share represented: (i) a discount of approximately 10.77% over the closing price of HK\$2.97 per Share quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 11.78% over the average of the closing prices of HK\$3.004 per Share for the last five trading days for the Shares up to and including 2 February 2012, being the date immediately prior to the Last Trading Day.

Both the Placing Price and the Exercise Price are determined based on negotiations on arm's length basis between the Company and the Placing Agent with reference to the current strong market sentiment, liquidity flow in the capital market and the historical Share price. The Directors consider that both the Placing Price and the Exercise Price are fair and reasonable.

Completion Date

Completion will take place on the second Business Day after the fulfillment of the conditions referred to in the section headed "Conditions of the Placing" below (or such other date as the Company and the Placing Agent may agree in writing prior to Completion).

Information of the Warrants

The Warrants will be issued to the Placees upon Completion in registered form and constituted by a deed poll. The Warrants will rank pari passu in all respects among themselves.

Each Warrant carries the right to subscribe for one (1) new Share at the Exercise Price and is issued at the Placing Price.

The subscription rights attaching to the Warrants may be exercised at any time during a period of 24 months commencing from the date of issue of the Warrants. The new Shares, when fully paid and allotted, will rank pari passu in all respects with the then existing issued Shares of the Company.

Assuming all the Warrants are placed out and a total of 140,000,000 Warrants are proposed to be issued, upon full exercise of the subscription rights attaching to the Warrants, a total of 140,000,000 new Shares will be issued, representing (i) 13.61% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.98% of the issued share capital of the Company as enlarged by the allotment and issue of the new Shares from the full exercise of the subscription rights attaching to the Warrants.

Transferability

The Warrants are transferable in integral multiples of 1,000,000 Warrants. In the event of a transfer of the Warrants to a connected person (as defined in the Listing Rules) of the Company, prior approval from the Company and the Stock Exchange will be obtained. The Company undertakes to comply with the relevant Listing Rules and to make necessary announcement(s), where appropriate, if and when any of the Placees make any transfer of the Warrants to other parties requiring disclosure.

Force majeure

The Placing Agreement contains provisions entitling the Placing Agent or the Company shall, with prior consultation with the other of them, have the right to terminate the Placing Agreement by notice in writing to the other of them at any time prior to 9:00 a.m. on the Completion Date:

- (i) there develops, occurs or comes into force:
 - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the opinion of the Placing Agent and in its absolute discretion may materially and adversely affect the business or financial condition or prospects of the Group as a whole; or
 - (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the sole opinion of the Placing Agent and in its absolute discretion will, or may be expected to, have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the sole opinion of the Placing Agent and in its absolute discretion has or may have a material adverse effect on the Placing; or
- (ii) any breach of any of the Warranties which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing, comes to the knowledge of the Placing Agent or there has been a breach by the Company of any other provision of the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing; or
- (iii) there is any adverse change in the business or in the financial or trading position of the Group taken as a whole which being unaware of by the Placing Agent and in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing; or

then and in any such case, the Placing Agent may, in its sole and absolute discretion, terminate the Placing Agreement without liability to the Company or any other Party by giving notice in writing to the Company, which notice may be given at any time prior to the Completion Date.

If the Placing Agreement is so terminated, all obligations of each party under the Placing Agreement shall cease and determine and neither 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 mentioned in the Placing Agreement.

Conditions of the Placing

Completion of the Placing Agreement is conditional on, among the other matters, the fulfillment of the following conditions on or before 5:00 p.m. on 15 February 2012 (or such later time and date as the Placing Agent and the Company shall agree in writing):

- (a) (if required) the listing committee of the Stock Exchange shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Placees shall reasonably object and the satisfaction of such conditions; and
- (b) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Placees shall reasonably object) the listing of, and permission to deal in, the new Shares which fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrants.

In the event that the above conditions are not fulfilled by 5:00 p.m. on 15 February 2012 or such later date as may be agreed between the Company and the Placing Agent, the Placing Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches hereof.

Voting rights for the holders of the Warrants

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Rights of the holders of the Warrants on the liquidation of the Company

If the Company is wound up during the subscription period of the Warrants, all subscription rights attaching to the Warrants which have not been exercised shall lapse, save for in the event of a voluntary winding-up, the holders of the Warrants shall be entitled within six weeks after the passing of such a resolution approving the winding-up to exercise the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants.

General Mandate to issue new Shares

The new Shares will be allotted and issued under the General Mandate granted to the Directors at an extraordinary general meeting of the Company held on 19 August 2011 subject to the limit of 186,400,000 Shares (representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date). The 140,000,000 new Shares, to be allotted and issued upon full exercise of the subscription rights attaching to the Warrants, will utilise approximately 75.11% of the General Mandate.

As at the date of this announcement, the Company has utilised approximately 21.46% the General Mandate for the allotment and issue of 40,000,000 new Shares as part of the consideration for the acquisition of the entire issued share capital of Mega Wide Investments

Limited and Starry View Investments Limited pursuant to the sale and purchase agreement dated 11 November 2011 and entered into among Yorcken Group Limited as vendor, Energy First International Limited as purchaser and Mr. Yeung Tak Man as guarantor.

The issue of new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrant is not subject to Shareholders' approval.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

REASONS FOR PLACING

The Group is principally engaged in (i) the manufacture and sale of aluminum electrolytic capacitors; (ii) the manufacturing and sale of v-chip types aluminum electrolytic capacitors; and (iii) the manufacturing and sale of LED lightings and accessories.

The Board considers that the Placing represents good opportunities to raise additional funds for the Company while broadening the Shareholder and capital base of the Company.

USE OF PROCEEDS

It is expected the aggregated net proceeds of approximately HK\$6.8 million (with a net issue price of approximately HK\$0.0486 per Warrant) will be raised by the Placing and the same will be utilised by the Group as its general working capital and as funds to reduce the liabilities of the Group.

Assuming the full exercise of the subscription rights attaching to the Warrants, it is expected approximately HK\$371 million will be raised. The net proceeds of approximately HK\$371 million (with a net subscription price of approximately HK\$2.65 per Warrant) will be used for general working capital and reducing liabilities of the Group and as funds to finance any possible acquisitions of investments and/or assets if suitable opportunities arise. As at the date hereof, the Company has not identified any specific investment targets.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the new Shares to be issued upon the exercise of all Warrants, when aggregated with all other equity securities which remain to be issued on exercise of all other subscription rights, will not exceed 20% of the issued share capital of the Company.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The following is the equity fund raising activities conducted by the Group in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
6 May 2011	Issue of convertible notes	Approximately HK\$98,000,000	Approximately HK\$98,000,000 will be used for financing the possible future investments of the Group and/or the general working capital of the Company	Used as intended
7 June 2011	Placing of warrants	Approximately HK\$1,900,000 upon the issue of warrants Approximately HK\$52,780,000 upon the exercise of warrants, and there are 11,000,000 warrants remain unexercised as at the date of this announcement	Approximately HK\$1,900,000 will be utilised by the Group as its general working capital and to finance its proposed acquisitions of the LED business Net proceeds received upon exercise of the warrants shall be used for general working capital of the Group	Used as intended

Save as disclosed above, the Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE

Assuming there being no other change in the shareholding structure of the Company, the following table set out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after full exercise of the subscription rights under the Warrants (assuming that the Placing is completed in full) are set out as below:

Shareholders	As at the date of this announcement and before Completion		Immediately after full exercise of the subscription rights attaching to the Warrants	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Tong Heng Company Limited (<i>Note</i>)	118,000,000	11.47	118,000,000	10.09
Directors	128,056,000	12.44	128,056,000	10.95
<i>Public Shareholders</i>				
Places	—	—	140,000,000	11.98
Other public Shareholders	<u>782,944,000</u>	<u>76.09</u>	<u>782,944,000</u>	<u>66.98</u>
Total	<u><u>1,029,000,000</u></u>	<u><u>100.00</u></u>	<u><u>1,169,000,000</u></u>	<u><u>100.00</u></u>

Note: Tong Heng Company Limited is owned by Mr. Yan Qixu (“Mr. Yan”), an executive Director, as to 69.69% and by Ms. Xiang Xiaoqin (“Ms. Xiang”), a former executive Director, as to 30.31%. Mr. Yan is the sole director of Tong Heng Company Limited.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Adjustment Events”	(1) alteration to the nominal amount of each of the Shares by reason of any subdivision or consolidation of Shares; or (2) issue of Shares by way of capitalization of profit or reserves; or (3) capital distribution to all Shareholders or grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries; or (4) offer to the Shareholders new Shares for subscription by way of rights; or grant of any options or warrants to all Shareholders to subscribe for new Shares, at a price which is less than 90%; (5) issue for cash any securities which are convertible into or exchangeable for or carry rights of subscription for new Shares; or (6) issue for cash any Shares at a price which is less than 90% of the market price; or (7) the repurchase of any Shares or securities convertible into Shares or any rights to acquire Shares by the Company.
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, a Sunday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Tech Pro Technology Development Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the placing of the Warrants in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	the second Business Day following the date on which the conditions precedent set out in the Placing Agreement are fulfilled (or such other date as the Company and the Placing Agent may agree in writing prior to Completion)
“Director(s)”	director(s) of the Company
“Exercise Price”	an initial exercise price of HK\$2.65 per new Share (subject to adjustment) at which holder of the Warrants may subscribe for the new Share(s)

“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 19 August 2011, pursuant to which a maximum of 186,400,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party which is not connected persons (as defined under the Listing Rules) of the Company and is independent of the Company and its connected persons
“Instrument”	a separate instrument to be executed by the Company by way of a deed poll containing terms of the Warrants, including the adjustment mechanisms of the initial subscription price for Shares
“Last Trading Day”	3 February 2012, being the last trading day for the Shares before the date of this announcement.
“LED”	Light-emitting diode, a semi-conductor light source which is used as indicator lamps in various devices
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Warrants pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of 140,000,000 Warrants pursuant to the terms of the Placing Agreement
“Placing Agent”	Enlighten Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 3 February 2012 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.05, being the issue price per Warrant payable in full on application under the Placing Agreement

“Share(s)”	ordinary issued share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	140,000,000 non-listed warrants to be issued by the Company at the Placing Price, each entitles the holder thereof to subscribe for one new Share at the Exercise Price (subject to adjustment) at any time during a period of twenty four (24) months commencing from the date of issue of the Warrants
“HK\$ and cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Tech Pro Technology Development Limited
Li Wing Sang
Chairman

Hong Kong, 3 February 2012

As at the date of this announcement, the executive Directors are Mr. Li Wing Sang, Mr. Yan Qixu, Mr. Liu Xinsheng and Mr. Chiu Chi Hong; the independent non-executive Directors are Mr. Lau Wan Cheung, Mr. Ng Wai Hung and Mr. Tam Tak Wah.