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## **SAME TIME HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

*(Stock code: 451)*

### **PROPOSED ISSUE OF A HK\$90 MILLION CONVERTIBLE REDEEMABLE BOND AND RESUMPTION OF TRADING**

#### **PROPOSED SUBSCRIPTION**

On 23 March 2011, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for the Bond at HK\$90 million in cash. The gross proceeds from the Subscription is HK\$90 million and the net proceeds from the Subscription (after deducting related expenses) are estimated to be approximately HK\$89.3 million. The entire net proceeds will be used for repayment of bank loans and payables in Hong Kong and the PRC (except the payables owed by the Group to the Supplier).

#### **GENERAL**

The SGM will be convened and held for the Shareholder to consider and, if thought fit, to approve the Subscription Agreement and the issue of the Bond.

A circular containing, among other things, (i) further details about the Subscription Agreement and the issue of the Bond; and (ii) a notice convening the SGM, will be despatched by the Company to the Shareholders as soon as practicable within 15 business days after the date of this announcement. So far as the Directors are aware, no Director or Shareholder has a material interest in the Subscription and the issue of the Bond. No Shareholder is required to abstain from voting at the SGM.

#### **CAUTION**

Completion of the Subscription is subject to the satisfaction of the conditions precedent of the Subscription Agreement on or before 30 June 2011 (or such other date as the Company and the Subscriber may agree). As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing with in the Shares.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 March 2011 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 24 March 2011.

## **THE SUBSCRIPTION AGREEMENT**

**Date:** 23 March 2011

**Parties:**

Issuer: The Company

Subscriber: Union Gold Group Limited

The Subscriber is owned ultimately as to 50% by Mr. Chung and 50% by Mr. Chen Geng. Save that Mr. Chung (i) is a director and a shareholder of the Supplier which is entitled to certain payment due from the Group and (ii) is currently interested in 766,000 Shares, the Subscriber and its ultimate beneficial owner(s) are independent from and not connected with the Company and/or its connected persons.

### **The Bond**

Pursuant to the Subscription Agreement, the Company agreed to issue and the Subscriber agreed to subscribe a HK\$90 million convertible redeemable bond at the cash price of HK\$90 million.

### **Conditions precedent to the Subscription**

Completion of the Subscription is conditional upon fulfilment of the following conditions:

- (i) the approval of Shareholders at the SGM to the issue of the Bond and the issue of Shares upon the exercise of the conversion rights attached to the Bond; and
- (ii) the granting of a listing of and permission to deal in the Shares issuable upon exercise of the conversion rights attached to the Bond by the Listing Committee.

If any of the above conditions are not fulfilled on or before 30 June 2011 (or such other time and date as the parties may mutually agree ), the rights and obligations of the parties under the Subscription Agreement shall lapse and be of no further effect and the parties to the Subscription Agreement shall be released from such obligations without any liability save as to any antecedent breach and provided that any right or remedies which shall have accrued shall not be prejudiced or affected.

## **Completion of the Subscription**

Completion of the Subscription shall take place on the second business day after all the conditions of the Subscription Agreement have been fulfilled (or such later date as the parties may agree).

## **PRINCIPAL TERMS OF THE BOND**

The principal terms of the Bond are summarised below:

### **Principal amount**

HK\$90 million.

### **Conversion Price**

HK\$1.80 per Share, which is subject to adjustments for subdivision or consolidation of shares, rights issues and other dilutive events which may have adverse effects on the rights of the Bondholder. Any adjustment to the Conversion Price will be reviewed by the auditors of the Company or an approved merchant bank. The Company will publish an announcement upon any adjustment to the Conversion Price.

The Conversion Price represents:

- (i) a discount of approximately 71.0% to the closing price of HK\$6.2 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 62.2% to the average of the closing prices of approximately HK\$4.756 per Share for the five trading days of the Shares up to and including the Last Trading Date;
- (iii) a discount of approximately 59.4% to the average of the closing prices of approximately HK\$4.437 per Share for the 10 trading days of the Shares up to and including the Last Trading Date;
- (iv) a discount of approximately 56.7% to the average of the closing prices of approximately HK\$4.159 per Share for the 30 trading days of the Shares up to and including the Last Trading Date;
- (v) a discount of approximately 55.2% to the average of the closing prices of approximately HK\$4.018 per Share for the 60 trading days of the Shares up to and including the Last Trading Date; and
- (vi) a discount of approximately 77.4% to the unaudited consolidated net asset value of the Company attributable to the Shareholders of approximately HK\$7.972 per Share as at 30 September 2010.

The Conversion Price was determined after arm's length negotiations between the Company and the Subscriber, after considering the range of trading prices of the Shares in the past two months, historical liquidity of the Shares in the market, the Group's existing financial position and operating costs, the size of funds to be raised and the number of Conversion Shares.

**Interest**

The Bond bears 1.0% interest per annum on the principal amount of the Bond outstanding.

**Maturity date**

The maturity of the Bond will be the date falling on the third anniversary of the date of issue of the Bond.

**Status**

The Bond constitute general and unsecured obligations of the Company and rank, and will rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

No application will be made for a listing of the Bond.

**Conversion right and Conversion Shares**

The Bondholder may convert the whole or part of the Bond into the Shares at the Conversion Price during the conversion period mentioned below in amount of not less than HK\$1 million on each conversion, save that if at any time the principal outstanding amount of the Bond is less than HK\$1 million, the whole (but not part only) of the principal outstanding amount of the Bond may be converted. The exercise of the conversion rights are subject to the following restrictions (the “Conversion Restrictions”):

- (i) the public float of the Shares shall not be less than the specific percentage as required by the Listing Rules immediately following such exercise; and
- (ii) the aggregate shareholding of the Bondholder and parties acting in concert with it (as defined in the Takeovers Code) immediately after such exercise shall not exceed 29% of the enlarged issued share capital of the Company and the Bondholder and parties acting in concert with it shall not be required to make a general offer for securities of the Company under Rule 26 of Takeovers Code.

Based on the Conversion Price of HK\$1.80 per Share and on the assumption that a maximum of 11,380,000 Shares are issued under the Placing, but without taking into account the Conversion Restrictions, a maximum of 50,000,000 Conversion Shares would be allotted and issued upon exercise of the conversion rights attached to the Bond in full, which represent:

- (i) approximately 87.8% of the existing issued share capital of the Company;

- (ii) approximately 73.2% of the Company's issued share capital as enlarged by the Placing; and
- (iii) approximately 42.3% of the issued share capital of the Company as enlarged by the Placing and the issue of 50,000,000 Conversion Shares.

Based on the Conversion Price of HK\$1.80 per Share and on the assumption that a maximum of 11,380,000 Shares are issued under the Placing, after taking into account the Conversion Restrictions, 33,540,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Bond to the Subscriber, which represent:

- (i) approximately 58.9% of the existing issued share capital of the Company;
- (ii) approximately 49.1% of the Company's issued share capital as enlarged by the Placing; and
- (iii) approximately 28.4% of the issued share capital of the Company as enlarged by the Placing and the issue of the 50,000,000 Conversion Shares.

The Shares issued upon conversion shall rank *pari passu* with all other existing Shares outstanding at the date of the conversion notice and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of the conversion notice. No interest shall be payable by the Company in respect of such principal amount of the Bond which has been so converted into Shares for the period from the previous due date of payment of interest to the date of the conversion notice, both dates inclusive.

### **Conversion period**

Any time and from time to time after six calendar months from the issue date of the Bond until the Maturity Date.

### **Voting**

The Bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of being Bondholder.

### **Transferability**

The Bond or part thereof may be transferred or assigned to any third party provided that the principal amount of the Bond for each assignment or transfer shall not be less than HK\$1 million and that no assignment or transfer shall be made to a connected person without the prior written consent of the Stock Exchange and in compliance of all relevant requirements of the Listing Rules.

### **Redemption by Company**

The Company shall be entitled at any time and from time to time after the date of issue of the Bond until the Maturity Date, having given not less than 14 days' written notice to the Bondholder (which notice shall be irrevocable), redeem all or part only of the Bond at 105% of the relevant principal amount, together with interest accrued to and excluding the date of redemption.

### **Redemption by the Bondholder**

The Bondholder shall be entitled at any time and from time to time after two calendar years from the date of issue of the Bond until the Maturity Date, having given not less than 90 days' written notice to the Company (which notice shall be irrevocable), redeem all or part only of the Bond at 103% of the relevant principal amount, together with interest accrued to and excluding the date of redemption.

### **Redemption by the Company after receipt of conversion notice from the Bondholder**

Upon receiving a written conversion notice from any Bondholder, the Company will be entitled, by written notice to the Bondholder given within 14 business days from the date of the relevant conversion notice to redeem the Bond or such part thereof the subject of such conversion notice rather than issue the relevant Shares, the amount payable on redemption in such case shall be an amount equal to 105% of the principal amount of the Bond or such part thereof the subject of the relevant conversion notice. In such event, payment of the relevant amount of redemption monies will be made within 90 business days from the date of service by the Bondholder of the conversion notice.

### **Application for listing**

Application will be made to the Listing Committee for the granting of listing of, and permission to deal in, the Conversion Shares.

### **REASONS FOR THE SUBSCRIPTION AND USE OF NET PROCEEDS**

The Group is principally engaged in the manufacture and sale of printed circuit boards and electronics products.

Based on the consolidated balance sheet of the Group as at 30 September 2010, the Group has borrowings and payables in the aggregate amounts of approximately HK\$567.3 million and HK\$484.3 million respectively. In view of the continuous increase in operating costs including labour and raw materials, in particular, gold and copper, and appreciation of Renmibi as well as the uncertainties arising from the recent earthquake in Japan, the Directors consider that it is a prudent and safeguard measure to reduce the debt level of the Group in order to improve its financial position. Having considered and balanced various factors including (i) the Subscription could serve to substantially reduce the short-term debts of the Company by way of a long-term financing; (ii) the conversion of the rights attaching to the Bond will result in a material dilution effect on the existing Shareholders; (iii) the Company is entitled to the right to

redeem the Bond in part or in full if and when the Company has the financial resources and considers the redemption appropriate; (iv) the Company has already fully utilized its existing general mandate in effecting the Placing; and (v) other means of fund raising (such as rights issue) in the capital market or obtaining loans and other general banking facilities from banks and financial institutions may not be readily available to the Group, the Directors are of the view that the Subscription is the most feasible means of fund raising with certainty on repayment schedule under the prevailing uncertain market conditions. It is also the opinion of the Directors that the Subscription will provide (i) the Company with immediate funding in a more cost efficient manner than loan financing and (ii) an opportunity for the Company, if the conversion rights attached to the Bond are exercised, to enlarge and strengthen its capital base and also broaden its Shareholders base by the introduction of new investors.

The gross proceeds from the Subscription is HK\$90 million and the net proceeds from the Subscription (after deducting related expenses) is estimated to be approximately HK\$89.3 million. Thus, the net issue price per Conversion Share will be approximately HK\$1.79. The entire net proceeds will be used for repayment of bank loans and payables in Hong Kong and the PRC (except payables owed by the Group to the Supplier).

The Directors (including the independent non-executive Directors) consider that the Subscription Agreement was entered on normal commercial terms following arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

As mentioned in the announcements of the Company dated 15 March 2011 and 17 March 2011, on 14 March 2011, the Company entered into a placing agreement with Fortune (HK) Securities Limited (the "Placing Agent"), pursuant to which the Placing Agent agreed to procure, on a best effort basis, places to subscribe up to a maximum of 11,380,000 new Shares at a price of HK\$3.27 per Share. The Company intends to use the net proceeds (which will be up to a maximum of approximately HK\$36 million) as working capital of the Group and/or for possible investment in the future when opportunities arise. As at the date of this announcement, the conditions precedent to the Placing Agreement have not been fulfilled.

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



## EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the Company's shareholding structure (i) as at the date of this announcement, (ii) immediately after completion of the Placing (assuming the issue of a maximum of 11,380,000 Shares), and (iii) immediately after the Placing and conversion of the Bond (after taking into account the Conversion Restrictions), assuming there is no change in the existing shareholding of the Company except for the Placing and the Subscription:

Shareholders	As at the date of this announcement		Upon completion of the Placing		Upon conversion of the Bond (after taking into account the Conversion Restrictions)	
	(Number of Shares)	approximate % of shareholding	(Number of Shares)	approximate % of shareholding	(Number of Shares)	approximate % of shareholding
Aberdare Assets Limited ( <i>Note 1</i> )	31,695,475	55.69%	31,695,475	46.41%	31,695,475	26.79%
Maroc Ventures Inc. ( <i>Note 2</i> )	3,598,498	6.32%	3,598,498	5.27%	3,598,498	3.04%
Mr. Chung	766,000	1.34%	766,000	1.12%	766,000	0.65%
The Subscriber	—	—	—	—	33,540,000	28.35%
The Subscriber and its concert parties	766,000	1.34%	766,000	1.12%	34,306,000	29.00%
Public Shareholders	20,858,547	36.65%	32,238,547	47.20%	48,698,547	41.17%
Total	<u>56,918,520</u>	<u>100.00%</u>	<u>68,298,520</u>	<u>100.00%</u>	<u>118,298,520</u>	<u>100.00%</u>

### Notes:

1. These Shares are beneficially owned by Sum Tai Holdings Limited, which is wholly owned by Aberdare Assets Limited ("Aberdare"). Aberdare is wholly owned by Mr. Yip How Yin, Maurice as trustee of a discretionary trust established for the benefit of Mr. Yip Sum Yin, Madam Yu Hung Min and their family. Mr. Yip Sum Yin and Madam Yu Hung Min are both Directors.
2. These Shares are beneficially owned by Maroc Ventures Inc., which is wholly owned by Mr. Yip Sum Yin as trustee of a discretionary trust established for the benefit of Mr. Yip How Yin, Maurice and his family.



## **SGM**

A SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Subscription Agreement and the issue of the Bond. A circular containing, among other things, (i) further details about the Subscription Agreement and the issue of the Bond; and (ii) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable within 15 business days after the date of this announcement. So far as the Directors are aware, no Director or Shareholder has a material interest in the Subscription. No Shareholder is required to abstain from voting at the SGM.

## **CAUTION**

Completion of the Subscription is subject to the satisfaction of the conditions precedent of the Subscription Agreement on or before 30 June 2011 (or such other date as the Company and the Subscriber may agree). As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing with in the Shares.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 March 2011 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 24 March 2011.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Bond”	the three-year 1.0% convertible redeemable bond of a principal amount of HK\$90 million to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Bondholder”	holder of the Bond
“Business Day”	a day (excluding Saturday) on which banks in Hong Kong are regularly open for business
“Company”	Same Time Holdings Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Conversion Price”	initially HK\$1.8 per Share (subject to adjustment in accordance with the terms and conditions of the Bond)
“Conversion Share(s)”	Share(s) to be allotted and issued upon the exercise of the conversion rights attaching to the Bond
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	18 March 2011, being the last full trading day for the Shares prior to the issue of this announcement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date being the third anniversary of the date of issue of the Bond
“Mr. Chung”	Mr. Chung Chi Shing, being one of the ultimate beneficial owners of the Subscriber and a director and a shareholder of the Supplier
“Placing”	the placing of up to a maximum of 11,380,000 new Shares on a best effort basis, details of which are set out in the announcements of the Company dated 15 March 2011 and 17 March 2011
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreement, the issue of the Bond and the issue of Shares upon the exercise of the conversion rights attaching to the Bond

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Union Gold Group Limited, a company incorporated in British Virgin Islands with limited liability and is owned as to 50% by Mr. Chung and as to 50% by Mr. Chen Geng
“Subscription”	the subscription of the Bond by the Subscriber under the Subscription Agreement
“Subscription Agreement”	a conditional subscription agreement dated 23 March 2011 between the Company and the Subscriber in relation to the Subscription
“Supplier”	an equipment supplier of the Group of which Mr. Chung is a director and a shareholder
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the Board  
**Same Time Holdings Limited**  
**Yip Sum Yin**  
*Chairman*

Hong Kong, 23 March 2011

*As at the date of this announcement, the executive Directors comprise Mr. Yip Sum Yin, Madam Yu Hung Min and Madam Yu Pei Yi, and the independent non-executive Directors comprise Mr. Lam Kwok Cheong, Mr. Lai Wing Leung, Peter and Madam Lee Mei Ling.*