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Excel

TECHNOLOGY

EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED

(志鴻科技國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8048)

PLACING OF EXISTING SHARES

This announcement is made by the Company pursuant to Rule 17.10 of GEM Listing Rules.

The Board announced that it has been informed by the Vendor that on 6 July 2012 the Vendor and the Placing Agent entered into the Agreement under which the Vendor has agreed to place through the Placing Agent an aggregate of 145,856,910 Shares, representing approximately 14.37% of the total issued share capital of the Company, to Placees at a price of HK\$0.2045 per Placing Share, pursuant to which the Placing Agent will, on a best effort basis, procure not less than six independent individual and/or institutional investors to purchase the Placing Shares at the Placing Price from the Vendor.

As at the date of this announcement, the Vendor directly holds 759,241,761 Shares, representing approximately 74.80% of the total issued share capital of the Company. Upon completion of the Placing, the Vendor will hold 613,384,851 Shares, representing approximately 60.43% of the total issued share capital of the Company.

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* *For identification purpose only*

AGREEMENT

Parties

- (1) The Vendor; and
- (2) Placing Agent

Placing

Pursuant to the Agreement, the Placing Agent will, on a best effort basis, procure not less than six independent individual and/or institutional investors to purchase the Placing Shares at the Placing Price from the Vendor.

Number of Shares to be placed

An aggregate of 145,856,910 Placing Shares, representing approximately 14.37% of the total issued share capital of the Company.

Placing Price

The Placing Price is HK\$0.2045 per Placing Share.

Independence

The Placing Agent shall use its best endeavours to ensure that the Placees shall be third parties independent of and not acting in concert with, for the purpose of the Takeovers Code, the Vendor, the Group or any directors, chief executive or substantial shareholders of any member of the Group or any of their respective associates (as defined in the GEM Listing Rules). It is expected that no Placee will become a substantial shareholder of the Company as a result of the Placing.

Rights and ranking

The Placing Shares will be sold free of all liens and charges or other encumbrances or any third party rights together with all rights attaching thereto and rank pari passu in all respects with the other Shares in the share capital of the Company presently in issue.

Completion of Placing

Completion of the Placing is currently expected to take place on 27 July 2012, provided that the Agreement is not terminated in accordance with its terms.

Further announcement will be made by the Company on the completion of the Placing.

SHAREHOLDING STRUCTURE BEFORE AND AFTER PLACING

As at the date of this announcement, the Vendor directly holds 759,241,761 Shares, representing approximately 74.80% of the total issued share capital of the Company. Upon completion of the Placing, the Vendor will hold 613,384,851 Shares, representing approximately 60.43% of the total issued share capital of the Company.

REASONS FOR PLACING

Rule 11.23(7) of GEM Listing Rules provides that at least 25% of the Company's total issued share capital must at all times be held by the public. As at the date of this announcement, 107,905,590 Shares, representing approximately 10.63% of the total issued share capital of the Company, remain in public hands. Therefore, the Vendor entered into the Agreement to place the Placing Shares to the public in order to comply with the public float requirement pursuant to Rule 11.23(7) of GEM Listing Rules.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Agreement”	the placing agreement dated 6 July 2012 entered into between the Vendor and the Placing Agent
“Board”	the board of Directors
“Company”	Excel Technology International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Placees”	the purchasers procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Agreement, (being individual and/or institutional investors) which will be third parties independent of and not acting in concert with, for the purpose of the Takeovers Code, the Vendor, the Group or any directors, chief executive or substantial shareholders of any member of the Group or any of their respective associates (as defined in the GEM Listing Rules)
“Placing”	the placing of the Placing Shares by the Vendor through the Placing Agent at the Placing Price pursuant to the Agreement
“Placing Agent”	Goldin Equities Limited, a company incorporated under the laws of Hong Kong
“Placing Price”	HK\$0.2045 per Placing Share
“Placing Shares”	145,856,910 existing Shares beneficially owned by the Vendor to be placed pursuant to the Agreement
“PRC”	The People’s Republic of China
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Vendor”	Sino Eminent Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Excel Technology International Holdings Limited
Li Xia
Chairman

Hong Kong, 6 July 2012

As at the date of this announcement, the Board comprises of:

Li Xia (*Executive Director*)

Chen Yin (*Executive Director*)

Yip Tin Hung (*Executive Director*)

Lin Di (*Executive Director*)

Zee Chan Mei Chu, Peggy (*Executive Director*)

Lam Tin Faat (*Independent Non-executive Director*)

Lu Haina (*Independent Non-executive Director*)

Fu Ping Man (*Independent Non-executive Director*)

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least seven days from the date of its posting and on the website of the Company at www.excel.com.hk.

** The English text of this announcement shall prevail over its Chinese text.*