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If you have sold or transferred all your shares in Solartech International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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SOLARTECH INTERNATIONAL HOLDINGS LIMITED

蒙古礦業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

**PLACING OF NEW SHARES UNDER A SPECIFIC MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

Placing Agent



KINGSTON SECURITIES LTD.

Terms used in this cover page, have the same meanings as defined in this circular.

A notice convening a special general meeting of the Company to be held at Unit 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong at 10:00 a.m. on Monday, 15 August 2011 is set out on pages 12 to 13 of this circular. A form of proxy for use by the Shareholders at the special general meeting is enclosed herein. Whether or not you are able to attend the meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at Unit 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

* For identification purpose only

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DEFINITIONS

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

“Acquisition”	the proposed acquisition, details of which are disclosed in the announcement of the Company dated 5 July 2011
“Announcement”	the announcement dated 13 July 2011 issued by the Company in relation to placing
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Solartech International Holdings Limited, a company incorporated in Bermuda with limited liability and the securities of which are listed on the Stock Exchange
“connected person(s)”	the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the board of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 July 2011 being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares, on a best effort basis, pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry out business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 13 July 2011 in relation to the Placing

DEFINITIONS

“Placing Price”	HK\$0.20 per Placing Share
“Placing Share(s)”	A maximum of 504,510,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approve, the placing and the transactions contemplated thereunder.
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



SOLARTECH INTERNATIONAL HOLDINGS LIMITED

蒙古礦業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

Executive Directors:

Mr. CHAU Lai Him (*Chairman and Managing Director*)

Mr. ZHOU Jin Hua (*Deputy Chairman*)

Mr. LIU Dong Yang

Mr. BUYAN-OTGON Narmandakh

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. CHUNG Kam Kwong

Mr. LO Wai Ming

Mr. LO Chao Ming

Principal place of business

in Hong Kong

Unit 7, 2nd Floor

Kingsford Industrial Centre

13 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

28 July 2011

To the Shareholders

Dear Sir or Madam,

**PLACING OF NEW SHARES UNDER A SPECIFIC MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement, in relation to the placing of a maximum of 504,510,000 Placing Shares, on a best effort basis, at the Placing Price of HK\$0.20 per Placing Share. The purpose of this circular is to provide you with further details of the Placing and the notice convening the SGM at which a resolution will be proposed to approve the Placing and the specific mandate to issue and allot the Placing Shares.

* For identification purpose only

LETTER FROM THE BOARD

THE PLACING AGREEMENT

Date

13 July 2011 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 504,510,000 Placing Shares, on a best effort basis, to the Placees and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market rate. The Placing Agent is interested in 21 shares as at the Latest Practicable Date.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the fact that the Placing Agent holds 21 Shares as at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Placees

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). None of the individual Placee will become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

Number of Placing Shares

A maximum number of 504,510,000 Placing Shares will be placed by the Placing Agent to the Placees on a best effort basis, representing approximately 40.00% of the existing issued share capital of the Company of 1,261,283,018 Shares as at the Latest Practicable Date and approximately 28.57% of the then issued share capital of 1,765,793,018 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$5,045,100.00.

Ranking of Placing Shares

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

LETTER FROM THE BOARD

Placing Price

The Placing Price of HK\$0.20 represents:

- (i) a discount of approximately 19.35% to the closing price of HK\$0.248 per share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 34.43% to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on the date of the Announcement;
- (iii) a discount of approximately 41.69% over the average closing price of approximately HK\$0.343 per Share in the last five consecutive trading days prior to the date of the Announcement; and
- (iv) a discount of approximately 41.09% over the average closing price of approximately HK\$0.3395 per Share in the last ten consecutive trading days prior to the date of the Announcement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing;
- (ii) the passing of a necessary resolution by the shareholders of the Company to approve the allotment, issue and dealing with Placing Shares at the SGM;
- (iii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event; and
- (iv) If necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Placing Shares under the Placing.

If any of the above conditions are not fulfilled prior to 5:00 p.m. on the date falling on three months after the date of SGM or such later time or date as may be agreed between the Placing Agent and the Company, the Placing Agreement shall terminate and subject to terms of the Placing Agreement, neither party shall have any claim against the other for any costs or losses (save for any antecedent breaches of the Placing Agreement).

Mandate to issue the Placing Shares

The Placing Shares to be issued under the Placing Agreement will be issued pursuant to a specific mandate to be obtained at the SGM.

LETTER FROM THE BOARD

Termination and force majeure

- (i) Unless otherwise agreed among the Parties, the Placing Agent's appointment shall terminate upon the earlier of (a) completion of the Placing and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.
- (ii) The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the date of completion of the Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

LETTER FROM THE BOARD

- (iii) If, at or prior to 9:00 a.m. on the date of completion of the placing;
- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
 - (b) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
 - (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the Latest Practicable Date.

Completion of the Placing

Completion of the Placing will take place within four business days after the fulfillment of the conditions set out in the Placing Agreement but not later than the date falling on three months after the date of SGM or such later date as may be agreed between the Company and the Placing Agent.

The Placing is conditional upon the fulfillment of the conditions and is subject to the termination on the occurrence of, among other things, any event of force majeure as listed above.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

REASONS FOR THE PLACING AND USE OF PROCEEDS

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$100.9 million and HK\$98 million respectively. The Company intends to utilise approximately HK\$50 million as part of the consideration for the Acquisition and the remainder of the proceeds will be used for the general working capital of the Group. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.194 per Share.

The Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Taking into account that (i) the dilution effect of the issue of the Placing Shares and the discount of the placing price to the market price will have a proportionate impact on all the existing Shareholders; (ii) the possible enhancement of the profile of the Shareholders given that the Placees will be professional, institutional or other investors or any of their respective subsidiaries or associates; and (iii) the long-term benefits that may be generated from the investment to be made with the proceeds from the Placing which in turn may increase the value of the Shares, the Directors are of the view that the Placing is in the interest of the Company and the Shareholders as a whole.

The Board has also considered alternative fund raising methods, such as bank borrowings, rights issue or open offer. However, after holding preliminary discussion with the Placing Agent, the Directors found that under the prevailing market conditions, it would be difficult to secure an underwriter to commit to a possible rights issue or open offer. In this respect, the Placing is a preferable method of fund raising as it is on a best effort basis. In view of the aforesaid and the relatively long timetable for rights issue and open offer, the Board has decided not to proceed with fund raising exercises of such nature. Further, under the prevailing market conditions, it is prudent to finance the Group's long-term growth by long-term funding, preferably in the form of equity which will not increase the Group's finance costs. Given that the net proceeds from the Placing would enhance the Company's capital base and would not incur any interest expense burden to the Group as compared with debt financing, the Directors consider that the Placing is a preferred means of fund raising for the Group.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Apart from the fund raising activities mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding Latest Practicable Date.

Date of initial announcement	Fund raising activity	Intended use of net proceeds	Actual use of net proceeds
16 September 2010	Placing of 7,200,000,000 new Shares under specific mandate at HK\$0.02 per Share	<ul style="list-style-type: none"> — Approximately HK\$75 million for the initial set-up costs for the copper mine in Mongolia — Approximately HK\$13 million for the repayment of bank loans — Approximately HK\$52 million for the general working capital of the Group 	<ul style="list-style-type: none"> — Approximately HK\$20 million was utilised and approximately HK\$55 million is currently deposited at the banks — Fully utilised — Approximately HK\$21 million was utilised as repayment of trust receipt loan and approximately HK\$31 million was utilised as repayment of bills payable

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full) is set out as below:

	As at the Latest Practicable Date		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Top Esteem Holdings Limited (Note)	126,000,000	9.99	126,000,000	7.14
<i>Public:</i>				
Placees	—	—	504,510,000	28.57
Other public Shareholders	<u>1,135,283,018</u>	<u>90.01</u>	<u>1,135,283,018</u>	<u>64.29</u>
Total	<u><u>1,261,283,018</u></u>	<u><u>100.00</u></u>	<u><u>1,765,793,018</u></u>	<u><u>100.00</u></u>

Note: Top Esteem Holdings Limited is wholly owned by Mr. Soyol Samdan who is an independent third party.

LETTER FROM THE BOARD

GENERAL

The Company was incorporated in Bermuda with limited liability. The Group is principally engaged in the manufacturing and trading of cables and wires for use in household electrical appliances and electronic products, copper products, connectors and terminal and wire harness, and mining business.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

SGM

A notice convening the SGM is set out on pages 12 to 13 of this circular for the purpose of considering and, if though fit, passing the ordinary resolution set out therein.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at Unit 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

In compliance with the Listing Rule, the resolution will be taken by way of poll at the SGM. To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement as at the Latest Practicable Date. Accordingly, none of the Shareholders will be required to abstain from voting at the SGM in respect of the resolution relating to the Placing and the specific mandate.

RECOMMENDATION

The Board considers that the Placing is in the interests of the Company and the Shareholders as a whole and accordingly recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Placing and the grant of the specific mandate to the Directors to allot and issue the Placing Shares at the SGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
Solartech International Holdings Limited
Chau Lai Him
Chairman and Managing Director

NOTICE OF SPECIAL GENERAL MEETING



SOLARTECH INTERNATIONAL HOLDINGS LIMITED

蒙古礦業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Solartech International Holdings Limited (the “**Company**”) will be held at Unit 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Monday, 15 August 2011 at 10:00 a.m. (the “**SGM**”) for the purpose of considering and, if thought fit, passing with or without amendment the following resolution as an ordinary resolution of the Company:

“THAT

- (a) the placing agreement dated 13 July 2011 entered into between the Company as issuer and Kingston Securities Limited as placing agent in relation to the placing of a maximum of 504,510,000 new shares (the “**Placing Shares**”) of HK\$0.01 each in the share capital of the Company at a placing price of HK\$0.20 per Placing Share (the “**Placing Agreement**”) (a copy of which marked “A” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares, the issue and allotment of the Placing Shares, pursuant to and subject to the terms and conditions of the Placing Agreement, be and are hereby approved; and
- (c) any one director of the Company be and is hereby authorised to exercise all the powers of the Company and take all steps as might in his opinion be desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Placing Agreement as well as in relation to the issue and allotment of the Placing Shares, including, without limitation to, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements.”

For and on behalf of the Board
Solartech International Holdings Limited
Chau Lai Him
Chairman and Managing Director

Hong Kong, 28 July 2011

* For identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

Head office and Principal place of business

in Hong Kong:

Unit 7, 2nd Floor
Kingsford Industrial Centre
13 Wang Hoi Road
Kowloon Bay
Kowloon
Hong Kong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

- (1) Any member of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (3) A form of proxy for use in connection with the SGM is enclosed with this circular. To be valid, the form of proxy, and (if required by the Board) the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the head office and principal place of business of the Company in Hong Kong at Unit 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a member from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.
- (4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members.
- (5) As at the date of this notice, the Directors of the Company are Messrs. Chau Lai Him, Zhou Jin Hua, Liu Dong Yang and Buyan-Otgon Narmandakh being the Executive Directors, and Messrs. Chung Kam Kwong, Lo Wai Ming and Lo Chao Ming being the Independent Non-Executive Directors.