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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 Wednesday, 3 July 2013 is set out on pages 11 to 12 of this circular. A form of proxy for use by the Shareholders at the SGM 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 SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM and at any adjournment thereof should you so wish.

* For identification purpose only

10 June 2013

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DEFINITIONS

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

“Announcement”	the announcement dated 27 May 2013 issued by the Company in relation to the 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 Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	5 June 2013 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 and conditions 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)

DEFINITIONS

“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 27 May 2013 in relation to the Placing
“Placing Price”	HK\$0.30 per Placing Share
“Placing Share(s)”	A maximum of 75,000,000 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 on Wednesday, 3 July 2013 at 10:00 a.m. at Unit 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong to consider and, if thought fit, approve, the Placing and the transactions contemplated thereunder.
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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

10 June 2013

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 75,000,000 Placing Shares, on a best effort basis, at the Placing Price of HK\$0.30 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

27 May 2013 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 75,000,000 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, 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.

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. It is expected that none of the Placees will become a substantial shareholder (as defined under the Listing Rules) of the Company immediately after completion of the Placing. If any of the Placees becomes a new substantial shareholder of the Company after the completion of the Placing, further announcement will be made by the Company.

Number of Placing Shares

A maximum number of 75,000,000 Placing Shares will be placed by the Placing Agent to the Placees on a best effort basis, representing: (i) approximately 40% of the existing issued share capital of the Company of 187,485,650 Shares as at the Latest Practicable Date; and (ii) approximately 28.57% of the issued share capital of the Company of 262,485,650 Shares as enlarged by the Placing (assuming the Placing is completed in full). The aggregate nominal value of the Placing Shares under the Placing will be HK\$750,000.

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\$0.30 represents:

- (i) a discount of approximately 28.57% to the closing price of HK\$0.42 per share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 30.23% to the closing price of HK\$0.43 per Share as quoted on the Stock Exchange on the date of the Announcement;
- (iii) a discount of approximately 31.66% over the average closing price of approximately HK\$0.439 per Share in the last five consecutive trading days prior to the date of the Announcement; and

The Placing Price was determined with reference to the prevailing market price of the Shares 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 two 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

Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (a) the 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.

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; 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 hereof) 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 to suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

LETTER FROM THE BOARD

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) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement(s) or circular(s) 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 this Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement 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 two 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.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

REASONS FOR THE PLACING AND USE OF PROCEEDS

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 and mining business.

As disclosed in the 2012-2013 interim report of the Company, Dongguan Xin Bao Precision Chemical Company Limited, a subsidiary of the Group, has begun using molecular distillation technology to produce biodiesel (fatty acid methyl ester), which is a renewable energy (the “**Project**”). The Project is one of the renewable energy projects encouraged and supported by the State. As prices of petrochemical diesel are rising due to the shortage of supply in the current market, it is expected that the profit margins for biodiesel will become higher accordingly. The Project is expected to have an expected annual output of up to 50,000 tons.

The maximum gross proceeds from the Placing will be approximately HK\$22.5 million. The maximum net proceeds from the Placing will amount to approximately HK\$21.7 million which is intended to be used as to: (i) approximately HK\$12 million for plant and machinery and working capital of the new production lines of the Project and (ii) the remaining of approximately HK\$9.7 million for repayment of trust receipt loans of the Group. Assuming the Placing is completed in full, the net proceeds raised per Placing Share upon completion of the Placing will be approximately HK\$0.289 per Placing Share.

The Directors are of the view that the Placing represents an opportunity to raise additional capital for the Company to enhance its general working capital base, to broaden its shareholders’ base and to finance any business opportunities which are expected to enhance its growth. Notwithstanding that the Placing may have a substantial dilution effect on the existing shareholdings, the Directors believe that the long-term benefits arising from the support of the Placing for the overall development of the Group will increase the value of the Shares in the long run. Apart from the direct placing of Shares, the Directors have also considered alternative fund raising methods, such as rights issue and open offer. However, the Directors are of the view that the latter are less effective in terms of time and cost and securing an underwriter for rights issue and open offer would be difficult. Accordingly, the Directors decided to go for the Placing. By contrast, the Placing is on a best effort basis and can be completed within a shorter period of time subject to shareholders’ approval.

Having considered the factors above, notwithstanding that there is a dilution effect on all the existing Shareholders and the Placing Price represents a discount to the market price, the Directors are of the view that the Placing is in the interest of the Company and the Shareholders as a whole.

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
7 March 2013	Placing of 31,240,000 new shares under general mandate.	Approximately HK\$12.0 million – for general working of the Group and repayment of trust receipt loan.	Fully utilized for repayment of the trust receipt loan.
29 November 2012	Placing of 17,650,000 new shares under general mandate.	Approximately HK\$6.29 million – for general working capital of the Group.	Fully utilized for repayment of the trust receipt loan.

EFFECTS ON SHAREHOLDING STRUCTURE

To the best of the Directors' knowledge, information and belief after having made reasonable enquires, 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>
<i>Public:</i>				
Placing Agent	21	0.00	21	0.00
Placees	–	–	75,000,000	28.57
Other public Shareholders	<u>187,485,629</u>	<u>100.00</u>	<u>187,485,629</u>	<u>71.43</u>
Total	<u><u>187,485,650</u></u>	<u><u>100.00</u></u>	<u><u>262,485,650</u></u>	<u><u>100.00</u></u>

GENERAL

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.

LETTER FROM THE BOARD

SGM

A notice convening the SGM is set out on pages 11 to 12 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. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM and at any adjournment thereof should you so wish.

In compliance with the Listing Rules, the resolution will be taken by way of poll at the SGM except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. 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.

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 Company. 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 Wednesday, 3 July 2013 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 27 May 2013 entered into between the Company as issuer and Kingston Securities Limited as placing agent in relation to the placing of a maximum of 75,000,000 new shares (the “Placing Shares”) of HK\$0.01 each in the share capital of the Company, on a best effort basis, at a placing price of HK\$0.30 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, 10 June 2013

* *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 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. 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.