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SOLARTECH INTERNATIONAL HOLDINGS LIMITED

榮盛科技國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

MEMORANDUM OF UNDERSTANDING

IN RELATION TO A POSSIBLE ACQUISITION OF A GOLD-COPPER MINE IN MONGOLIA

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

MOU IN RELATION TO THE POSSIBLE ACQUISITION

On 14 October 2009 (after trading hours), the Company (as the Purchaser) entered into the MOU with the Vendor in relation to a possible acquisition of the entire issued share capital in the Target Company. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Pursuant to the MOU, the consideration of the Possible Acquisition is to be determined and shall be with reference to the valuation price of the valuation report to be issued by an independent valuer being engaged by the Company. The consideration of the Possible Acquisition shall be satisfied by either cash, consideration shares and/or convertible notes carrying the rights to convert into new Shares, or any combination of them. No deposit will be required to be paid by the Company under the MOU.

The Company will conduct preliminary due diligence review in relation to the Possible Acquisition. The Company shall comply with the relevant disclosure requirement under the Listing Rules regarding the Possible Acquisition at all times.

The MOU shall remain in effect for a term of three months from the date of the MOU (the “**Term**”) or such longer period as may be agreed. The Vendor also agreed that, inter alia, it or its affiliates shall not, for the three-month period (the “**Exclusivity Period**”) commencing

* *For identification purpose only*

on the date upon signing of the MOU, enter into any negotiation, arrangement or agreement (whether subject to conditions or otherwise) similar or relating to the Possible Acquisition with any other party (the “**Exclusivity**”), and the Purchaser shall have the right to extend the Exclusivity Period for a further three months by notifying the Vendor in writing no later than two days prior to the expiration of the Exclusivity Period.

Save for the combination of the consideration, the Exclusivity, the Term and the term on non-disclosure as contained therein, the MOU is not legally binding or enforceable.

The Board wishes to emphasise that the Possible Acquisition is subject to, among other things, the signing of a formal agreement for the sale and purchase of the entire issued share capital in the Target Company, the terms and conditions of which are yet to be agreed. As the Possible Acquisition may or may not proceed, potential investors and Shareholders are advised to exercise caution when dealing in the Shares. Further announcement in respect of the Possible Acquisition will be made by the Company should any formal agreement be entered into as and when appropriate in accordance with the Listing Rules.

Information on the Target Company and its subsidiary

The Target Company is a company incorporated in the British Virgin Islands and is the sole owner of ISE. ISE is a company incorporated in Mongolia and owns the exploration and mining licenses of the Nergui mine, which is located at Delgerkhangai soum, Dundgovi province, Mongolia.

Pursuant to the information provided by the Vendor which is subject to further due diligence review by the Company, the Nergui mine was estimated to have gold and copper resources.

DEFINITIONS

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

“Board”	the board of Directors
“Company” or “Purchaser”	Solartech International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Directors”	directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Parties”	third parties and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“ISE”	Ikh Shijir Erdene LLC, a company incorporated in Mongolia with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mongolia”	The Republic of Mongolia
“MOU”	the memorandum of understanding dated 14 October 2009 entered into by the Company and the Vendor in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition of the entire issued share capital in the Target Company by the Purchaser from the Vendor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Sun Progress Limited, a company incorporated in British Virgin Island with limited liability and is the sole owner of ISE
“Vendor”	Winner Progress Limited, a company incorporated in British Virgin Island with limited liability and is the sole owner of the Target Company

By Order of the Board
Chau Lai Him
Chairman and Managing Director

Hong Kong, 14 October 2009

As at the date of this announcement, the executive directors are Mr. Chau Lai Him, Mr. Zhou Jin Hua, Mr. Liu Jin Rong, Mr. Ho Pang Cheng Vincent and Mr. Lam Chi Ming Francis and the independent non-executive directors are Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming.