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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

榮盛科技國際控股有限公司*

(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 LIMITED

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, 11 November 2009 is set out on pages 11 to 12 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:

“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)”	has the meaning ascribed thereto 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
“Last Trading Date”	15 October 2009, being the date of the Placing Agreement, which is a Stock Exchange trade day
“Latest Practicable Date”	21 October 2009, 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
“MOU”	The memorandum of understanding entered into between the Company and the vendor in relation to the Possible Acquisition of the entire issued share capital in the target company
“Placing”	the placing of a maximum of 400,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 15 October 2009 in relation to the Placing
“Placing Price”	HK\$0.135 per Placing Share
“Placing Share(s)”	a maximum of 400,000,000 new Shares to be placed pursuant to the Placing Agreement

DEFINITIONS

“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 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)
“Possible Acquisition”	the possible acquisition of a gold-copper mine in Mongolia, details of which were disclosed in the announcement of the Company dated 14 October 2009
“PRC”	the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held at 10:00 a.m. on Wednesday, 11 November 2009 at unit 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong for Shareholders to consider and, if thought fit, approve, the placing and the transactions contemplated thereunder
“Shareholder(s)”	registered 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

榮盛科技國際控股有限公司*

(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 Jin Rong

Mr. HO Pang Cheng Vincent

Mr. LAM Chi Ming Francis

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

23 October 2009

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 of the Company dated 15 October 2009 (the "Announcement"), in relation to the placing of a maximum of 400,000,000 Placing Shares, on a best effort basis, at the Placing Price of HK\$0.135 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

15 October 2009 (after the trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 400,000,000 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.

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 (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

The maximum number of 400,000,000 Placing Shares under the Placing represent (i) approximately 43.84% of the existing issued share capital of the Company of 912,420,362 Shares in issue as at the Latest Practicable Date and (ii) approximately 30.48% of the then issued share capital of 1,312,420,362 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$4,000,000.

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 issue and allotment of the Placing Shares.

LETTER FROM THE BOARD

Placing Price

The Placing Price of HK\$0.135 represents:

- (i) a discount of approximately 17.18% to the closing price of HK\$0.163 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 5.47% over the average closing price of HK\$0.128 per Share in the last five consecutive trading days prior to the Last Trading Day;
- (iii) a premium of approximately 2.27% over the average closing price of HK\$0.132 per Share in the last ten consecutive trading days prior to the Last Trading Day; and
- (iv) a discount of approximately 6.25% to the closing price of HK\$0.144 on the Latest Practicable Date.

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;
- (ii) the passing of a resolution by the Shareholders of the Company to approve the issue and allotment of the Placing Shares at the SGM; and
- (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.

If any of the above conditions are not fulfilled prior to 10:00 a.m. of the 31 December 2009 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 the 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 10:00 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 10:00 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 be come 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 date of this circular.

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 31 December 2009 or such later date as may be agreed between the Company and the Placing Agent.

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

REASONS FOR THE PLACING AND USE OF PROCEEDS

The maximum gross proceeds from the Placing will be approximately HK\$54.0 million. The maximum net proceeds from the Placing will amount to approximately HK\$52.0 million which are intended to be used for the Possible Acquisition. However, the

LETTER FROM THE BOARD

commercial terms of the Possible Acquisition have yet to be finalized, no further details, such as the range of consideration, settlement arrangement and status of negotiation, are available as at the Latest Practicable Date. If the Possible Acquisition does not go through, approximately HK\$30 million of the net proceeds from the Placing will be used for repayment of bank loan and the remainder of the proceeds will be retained as general working capital. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.130 per Share.

The Directors have considered different types of fund raising, such as debt and equity financing, to maintain the financial flexibility for the Company. In view of the 2009 annual results of the Company, the Directors consider that the Placing is the most efficient way in terms of cost for the Company. Furthermore, the Company can take this opportunity to broaden the capital base of the Company.

The Directors confirm that the placing of shares as announced on 28 August 2009 and 15 October 2009, and the MOU announced on 14 October 2009, were not anticipated on 31 July 2009 when the Company despatched the circular regarding refreshment of the general mandates.

Save as the MOU announced on 14 October 2009 and the Placing announced on 15 October 2009, the Directors confirm that there are no other potential merger and acquisition opportunities identified and there is no plan for further fund raising by the Company.

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 the date of the Announcement and up to the Latest Practicable Date.

Date of announcement	Fund raising activity	Intended use of proceeds	Actual use of proceeds
10 December 2008	Open offer of 2,414,617,448 new Shares at subscription price of HK\$0.027 per Share	Approximately HK\$60 million for general working capital of the Group	Applied as to approximately HK\$60 million for repayment of bank loans, such as trust receipt loan and short term loans
15 June 2009	Top-up placing of 120,000,000 existing Shares and top-up subscription for 120,000,000 new Shares at HK\$0.066 per Share	Approximately HK\$7.65 million for general working capital of the Group	Applied as to approximately HK\$7.65 million for repayment of short term loans

LETTER FROM THE BOARD

Date of announcement	Fund raising activity	Intended use of proceeds	Actual use of proceeds
10 July 2009	Top-up placing of 126,730,000 existing Shares and top-up subscription for 126,730,000 new Shares at HK\$0.22 per Share	Approximately HK\$27 million for general working capital of the Group	Approximately HK\$14 million is used for repayment of short term loans and approximately HK\$13 million is deposited at the bank
28 August 2009	Placing of 152,000,000 new Shares at HK\$0.140 per Share	Approximately HK\$ 20.6 million for general working capital of the Group	Approximately HK\$20.6 million is deposited at the bank

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 is set out as below:

	As at the Latest Practicable Date		Upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Venture Success Holdings Limited (<i>Note</i>)	134,804,297	14.77	134,804,297	10.27
Public:				
Places	–	–	400,000,000	30.48
Other public Shareholders	<u>777,616,065</u>	<u>85.23</u>	<u>777,616,065</u>	<u>59.25</u>
Total	<u>912,420,362</u>	<u>100.00</u>	<u>1,312,420,362</u>	<u>100.00</u>

Note: Venture Success Holdings Limited, a company incorporated in the British Virgin Islands, is wholly owned by Mr. Chau Lai Him who is the Chairman and Managing Director of the Company.

GENERAL

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

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.

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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 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 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.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility, for the accuracy of the information contained in this circular and confirm having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in 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 THE SGM



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) 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, 11 November 2009 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment the following resolution as an ordinary resolution of the Company:

- (a) the placing agreement (the “Placing Agreement”) dated 15 October 2009 (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) entered into between the Company as issuer and Kingston Securities Limited as placing agent in relation to the placing of a maximum of 400,000,000 new shares (the “Placing Shares”) of HK\$0.01 each in the share capital of the Company at a placing price of HK\$0.135 per Placing Share 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/her opinion be desirable, necessary or expedient in relation to the issue and allotment of the Placing Shares in connection with the implementation of the transactions contemplated under the Placing Agreement including without limitation to the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements.”

By order of the Board
Solartech International Holdings Limited
Chau Lai Him
Chairman and Managing Director

Hong Kong, 23 October 2009

* *For identification purpose only*

NOTICE OF THE SGM

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) A Member entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a Member of the Company. In order to be valid, the form of proxy must be deposited with 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 together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the Meeting or adjournment thereof.
- (2) The Directors of the Company as at the date of this notice are Messrs. Chau Lai Him, Zhou Jin Hua, Liu Jin Rong, Ho Pang Cheng Vincent and Lam Chi Ming Francis being the Executive Directors, and Messrs. Chung Kam Kwong, Lo Wai Ming and Lo Chao Ming being the Independent Non-Executive Directors.