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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: 01166)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN SANTAI ELECTRONICS LIMITED AND ABERDEEN INVESTMENTS LIMITED

On 12 December 2011, (i) China Glory (an indirect wholly-owned subsidiary of the Company) entered into the Santai Acquisition Agreement with the Santai Vendors and the Guarantor pursuant to which China Glory has conditionally agreed to acquire from the Santai Vendors the Santai Sale Shares at a total cash consideration of RMB43,000,000 (equivalent to approximately HK\$52,675,000); and (ii) Winteractive (an indirect wholly-owned subsidiary of the Company) entered into the Aberdeen Acquisition Agreement with the Aberdeen Vendor and the Guarantor pursuant to which Winteractive has conditionally agreed to acquire from the Aberdeen Vendor the Aberdeen Sale Share at a total cash consideration of RMB10,000,000 (equivalent to approximately HK\$12,250,000).

The Santai Sale Shares represent the total issued share capital of Santai, which holds the entire issued share capital of Dongguan Santai, which in turn is the legal and beneficial holder of all the land use rights in respect of the Santai Property.

The Aberdeen Sale Share represents the total issued share capital of Aberdeen, which is the legal and beneficial owner of the Aberdeen Property.

Santai and Aberdeen are wholly-owned subsidiaries of the Guarantor, whose shares are listed on the Main Board of the Stock Exchange.

Since the applicable percentage ratios of the Transactions exceed 5% but are less than 25% (on an aggregated basis), the Transactions will constitute a discloseable transaction for the Company for the purposes of, and are subject to the reporting and announcement requirements under, Chapter 14 of the Listing Rules.

THE AGREEMENTS ARE CONDITIONAL UPON THE SATISFACTION OF A NUMBER OF CONDITIONS PRECEDENT. THEREFORE THE TRANSACTIONS MAY OR MAY NOT PROCEED. INVESTORS AND SHAREHOLDERS ARE ADVISED TO EXERCISE CAUTION IN DEALING IN THE COMPANY'S SECURITIES.

The Board is pleased to announce that on 12 December 2011, (i) China Glory (an indirect wholly-owned subsidiary of the Company) entered into the Santai Acquisition Agreement with the Santai Vendors and the Guarantor; and (ii) Winteractive (an indirect wholly-owned subsidiary of the Company) entered into the Aberdeen Acquisition Agreement with the Aberdeen Vendor and the Guarantor in relation to the Transactions. The principal terms of the Santai Acquisition Agreement and the Aberdeen Acquisition Agreement are set out below:

THE SANTAI ACQUISITION AGREEMENT

Date

12 December 2011

Parties

- (i) China Glory as purchaser;
- (ii) the Santai Vendors as vendors; and
- (iii) the Guarantor as the Santai Vendors' guarantor.

Each of the Santai Vendors is wholly-owned by the Guarantor. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Santai Vendors and the Guarantor are third parties independent of the Company and its connected persons. The Group has not engaged in any previous transactions which were related to the transactions contemplated under the Santai Acquisition Agreement or with the Santai Vendors or the Guarantor in the last 12 months which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

Assets to be acquired

Pursuant to the Santai Acquisition Agreement, the Santai Vendors have agreed to sell to China Glory the Santai Sale Shares, representing, at Completion, the total issued share capital of Santai.

Consideration

The total consideration payable by China Glory to the Santai Vendors under the Santai Acquisition Agreement is RMB43,000,000 (equivalent to approximately HK\$52,675,000) and shall be satisfied as follows:

- (i) as to RMB8,600,000 (equivalent to approximately HK\$10,535,000) in cash as deposit upon signing of the Santai Acquisition Agreement;
- (ii) as to RMB8,600,000 (equivalent to approximately HK\$10,535,000) in cash as further deposit on the 90th day after the signing of the Santai Acquisition Agreement (the “**Further Deposit Date**”) subject to the Santai Vendors having delivered to China Glory the management accounts of the Santai Group for the year ended 31 December 2011 not later than 14 days prior to the Further Deposit Date and such management accounts showing that the Santai Group is free from liabilities as at 31 December 2011 (other than those agreed by China Glory under the Santai Acquisition Agreement); and
- (iii) as to the balance of RMB25,800,000 (equivalent to approximately HK\$31,605,000) in cash at Completion.

The consideration under the Santai Acquisition Agreement will be financed by internal resources of the Group and/or external debt and/or equity fund raising.

Conditions

Completion of the Santai Acquisition Agreement is conditional on the following conditions being satisfied or (if applicable) waived by China Glory on or before the Long Stop Date:

- (i) China Glory conducting legal, financial and business due diligence in relation to the Santai Group and the Santai Property and the results of such due diligence being satisfactory to China Glory in its absolute discretion;
- (ii) the Santai Vendors having delivered or procure to be delivered to China Glory the 2011 Santai Accounts, showing that each of Santai and Dongguan Santai, and effectively the Santai Group, has no liabilities of any nature whatsoever, other than those agreed by China Glory under the Santai Acquisition Agreement, as at 31 December 2011;
- (iii) Dongguan Santai remaining the legal and beneficial holder of all land use rights in respect of the Santai Property; and
- (iv) the Aberdeen Acquisition Agreement having become unconditional in all respects in accordance with its terms.

Basis of determination of the consideration

The consideration for the Santai Sale Shares was determined after arm's length negotiations between the parties by reference to a valuation report prepared by an independent property valuer in respect of the Santai Property in its existing state dated 24 August 2011 with current market value of RMB57,800,000 (equivalent to approximately HK\$70,805,000).

Guarantee by the Guarantor

In consideration of China Glory entering into the Santai Acquisition Agreement, the Guarantor, which directly owns the entire issued share capital of each of the Santai Vendors, unconditionally and irrevocably guarantees to China Glory the due and punctual performance and observance by the Santai Vendors of their obligations, covenants and warranties under the Santai Acquisition Agreement.

Completion

Completion shall take place on the fifth Business Day following the satisfaction of the conditions set out above and unless, if applicable, waived by China Glory or at such other place or time as the Santai Vendors and China Glory shall agree.

If Completion does not take place due to the default of either the Santai Vendors or China Glory, the non-defaulting party to the Santai Acquisition Agreement may rescind the agreement and, in which case, shall be entitled to a sum equals to 5% of the consideration under the agreement, being RMB2,150,000 (equivalent to approximately HK\$2,633,750), as liquidated damages payable by the party in default. Upon and from such date of payment of liquidated damages, the Santai Acquisition Agreement shall have no effect and no party shall have any liability under it.

THE ABERDEEN ACQUISITION AGREEMENT

Date

12 December 2011

Parties

- (i) Winteractive as purchaser;
- (ii) the Aberdeen Vendor as vendor; and
- (iii) the Guarantor as the Aberdeen Vendor's guarantor.

The Aberdeen Vendor is directly wholly-owned by the Guarantor. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Aberdeen Vendor and the Guarantor are third parties independent of the Company and its connected persons. The Group has not engaged in any previous transactions which were related to the

transactions contemplated under the Aberdeen Acquisition Agreement or with the Aberdeen Vendor or the Guarantor in the last 12 months which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

Assets to be acquired

Pursuant to the Aberdeen Acquisition Agreement, the Aberdeen Vendor has agreed to sell to Winteractive the Aberdeen Sale Share, representing, at Completion, the total issued share capital of Aberdeen.

Consideration

The total consideration payable by Winteractive to the Aberdeen Vendor under the Aberdeen Acquisition Agreement is RMB10,000,000 (equivalent to approximately HK\$12,250,000) and shall be satisfied as follows:

- (i) as to RMB2,000,000 (equivalent to approximately HK\$2,450,000) in cash as deposit upon signing of the Aberdeen Acquisition Agreement;
- (ii) as to RMB2,000,000 (equivalent to approximately HK\$2,450,000) in cash as further deposit on the 90th day after the signing of the Aberdeen Acquisition Agreement (the “**Aberdeen Further Deposit Date**”) subject to the Aberdeen Vendor having delivered to Winteractive the management accounts of Aberdeen for the year ended 31 December 2011 not later than 14 days prior to the Aberdeen Further Deposit Date and such management accounts showing that Aberdeen is free from liabilities as at 31 December 2011; and
- (iii) as to the balance of RMB6,000,000 (equivalent to approximately HK\$7,350,000) in cash at Completion.

The consideration under the Aberdeen Acquisition Agreement will be financed by internal resources of the Group and/or external debt and/or equity fund raising.

Conditions

Completion of the Aberdeen Acquisition Agreement is conditional on the following conditions being satisfied or (if applicable) waived by Winteractive on or before the Long Stop Date:

- (i) Winteractive conducting legal, financial and business due diligence in relation to Aberdeen and the Aberdeen Property and the results of such due diligence being satisfactory to Winteractive in its absolute discretion;
- (ii) the Aberdeen Vendor having delivered or procure to be delivered to Winteractive the 2011 Aberdeen Accounts, showing that Aberdeen has no liabilities of any nature whatsoever as at 31 December 2011;
- (iii) Aberdeen remaining the legal and beneficial owner of and has good title to the Aberdeen Property; and

(iv) the Santai Acquisition Agreement having become unconditional in all respects in accordance with its terms.

Basis of determination of the consideration

The consideration for the Aberdeen Sale Share was determined after arm's length negotiations between the parties by reference to a valuation report prepared by an independent property valuer in respect of the Aberdeen Property in its existing state dated 31 January 2011 with current market value of RMB4,487,000 (equivalent to approximately HK\$5,497,000) and the unaudited net assets of Aberdeen of HK\$15,608,000 as at 30 June 2011.

Guarantee by the Guarantor

In consideration of Winteractive entering into the Aberdeen Acquisition Agreement, the Guarantor, which directly owns the entire issued share capital of the Aberdeen Vendor, has unconditionally and irrevocably guaranteed to Winteractive the due and punctual performance and observance by the Aberdeen Vendor of its obligations, covenants and warranties under the Aberdeen Acquisition Agreement.

Completion

Completion shall take place on the fifth Business Day following the satisfaction of the conditions under the Aberdeen Acquisition Agreement set out above and unless, if applicable, waived by Winteractive or at such other place or time as the Aberdeen Vendor and Winteractive shall agree.

If Completion does not take place due to the default of either the Aberdeen Vendor or Winteractive, the non-defaulting party to the Aberdeen Acquisition Agreement may rescind the agreement and, in which case, shall be entitled to a sum equals to 5% of the consideration under the agreement, being RMB500,000 (equivalent to approximately HK\$612,500), as liquidated damages payable by the party in default. Upon and from such date of payment of liquidated damages, the Aberdeen Acquisition Agreement shall have no effect and no party shall have any liability under it.

INFORMATION ON THE SANTAI VENDORS, ABERDEEN VENDOR AND GUARANTOR

Each of the Santai Vendors and Aberdeen Vendor is wholly-owned by the Guarantor.

The Guarantor is principally engaged in the provision of digital television technical solutions and sale of equipment, development and provision of system integration solutions, and system design sale of system hardware. The shares of the Guarantor are listed on the Main Board of the Stock Exchange.

INFORMATION ON SANTAI AND ABERDEEN

Santai

Santai was incorporated in Hong Kong and as at the date of this announcement is owned as to 50% by SCT Electronics Limited and as to 50% by Santai Corporate Services Limited (held on trust for SCT Electronics Limited). Santai is an investment holding company and is interested in the entire registered capital of Dongguan Santai and Dongguan Shoutai (which is in progress of winding up), both of which were incorporated in the PRC. Dongguan Santai holds the land use rights in respect of the Santai Property. According to the audited accounts of Santai, Santai recorded an audited net loss of approximately HK\$4,415 and HK\$12,081,000 before and after taxation for the year ended 31 December 2009 and 2010, respectively. The audited net liabilities of Santai was approximately HK\$13,746,000 as at 31 December 2010.

Aberdeen

Aberdeen was incorporated in Samoa and as at the date of this announcement is wholly-owned by Santai Corporate Services Limited. Aberdeen is principally engaged in property investment and holds the Aberdeen Property. According to the unaudited accounts of Aberdeen, Aberdeen recorded an unaudited net loss of approximately HK\$131,000 and HK\$438,000 before and after taxation for the year ended 31 December 2009 and 2010, respectively. The net asset value of Aberdeen was approximately HK\$15,552,000 as at 31 December 2010.

INFORMATION ON THE SANTAI PROPERTY AND THE ABERDEEN PROPERTY

The Santai Property is an industrial complex located at Qiao Zi Lu, Qiao Zi Village, Changping Town, Dongguan City, the PRC (東莞市常平鎮橋梓管理區) with a site area of 72,292 square metres. The Santai Property in its existing state as an industrial complex was valued by an independent property valuer at a market value of RMB57,800,000 (equivalent to approximately HK\$70,805,000) as at 24 August 2011.

The Aberdeen Property comprised of 24 residential units located on the 11th Floor and 15th Floor of Ping On Court, Peace Plaza, Shangzhong Yuan Road, Changping Town, Dongguan, The People's Republic of China* (東莞市常平鎮常平廣場平安閣) with a total gross floor area of 1,655.88 square metres. The Aberdeen Property in its existing state as residential units was valued by an independent property valuer at a market value of RMB4,487,000 (equivalent to approximately HK\$5,497,000) as at 31 January 2011.

INFORMATION ON THE GROUP AND REASONS FOR THE ENTERING INTO THE AGREEMENT

The Group is principally engaged in the manufacture and trading of cables and wires, copper products and mining business.

The Company has been seeking suitable properties for the purpose of expansion of its production facilities for a new production line for cables, wires and copper products. The Directors believe the transactions under the Santai Acquisition Agreement represent an opportunity to acquire land use rights for such expansion but the Company has not decided the development schedule for the Santai Property at this stage. The Company intends to use the Aberdeen Property as staff quarters for employees of the Group.

Based on the above, the Directors consider that the terms of, and transactions contemplated under, the Agreements are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the applicable percentage ratios of the Transaction exceed 5% but are less than 25% (on an aggregated basis), the Transactions will constitute a discloseable transaction for the Company for the purposes of, and are subject to the reporting and announcement requirements under, Chapter 14 of the Listing Rules.

THE AGREEMENTS ARE CONDITIONAL UPON THE SATISFACTION OF A NUMBER OF CONDITIONS PRECEDENT. THEREFORE THE TRANSACTIONS MAY OR MAY NOT PROCEED. INVESTORS AND SHAREHOLDERS ARE ADVISED TO EXERCISE CAUTION IN DEALING IN THE COMPANY'S SECURITIES.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

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| “2011 Aberdeen Accounts” | (i) the unaudited balance sheet of Aberdeen as at 31 December 2011 and (ii) the unaudited profit and loss account of Aberdeen in respect of the financial year ending on 31 December 2011 certified by a director of Aberdeen; |
| “2011 Santai Accounts” | (i) the consolidated audited balance sheet of the Santai Group as at 31 December 2011 and (ii) the audited consolidated profit and loss account of the Santai Group in respect of the financial year ending on 31 December 2011; |

“Aberdeen”	Aberdeen Investments Limited, a company incorporated in Samoa as an international company and an indirect wholly-owned subsidiary of the Guarantor;
“Aberdeen Acquisition Agreement”	the sale and purchase agreement dated 12 December 2011 entered into between Winteractive, the Aberdeen Vendor and the Guarantor in respect of the purchase by Winteractive of the Aberdeen Sale Share;
“Aberdeen Property”	Flats A, B, C, D, E, F, G, H, I, J, K and L on each of the 11th Floor and 15th Floor of Ping On Court, Peace Plaza, Shangzhong Yuan Road, Changping Town, Dongguan, The People’s Republic of China* (東莞市常平鎮常平廣場平安閣) as described in the Certificates of Real Estate Ownership (No.s C3338303 to C3338310, No.s C3338482 to C3338497) issued by People’s Government of Guangdong Province with a total gross floor area of 1,655.88 square metres;
“Aberdeen Sale Share”	one share of US\$1 in the share capital of Aberdeen which represent its entire issued share capital;
“Aberdeen Vendor”	Santai Corporate Services Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Guarantor;
“Agreements”	the Santai Acquisition Agreement and the Aberdeen Acquisition Agreement;
“Board”	the board of Directors;
“Business Day”	any day (not being a Saturday, Sunday or a public holiday) on which banks are open for general banking business in Hong Kong;
“China Glory”	China Glory Management Limited, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company;
“Company”	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;
“Completion”	completion of the Santai Acquisition Agreement and the Aberdeen Acquisition Agreement in accordance with their respective terms;

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly;
“Director(s)”	the director(s) of the Company;
“Dongguan Santai”	東莞三泰電器有限公司, a company incorporated in the PRC and a wholly-owned subsidiary of Santai;
“Dongguan Shoutai”	東莞首泰電子實業有限公司, a company incorporated in the PRC and a wholly-owned subsidiary of Santai;
“Group”	the Company and its subsidiaries;
“Guarantor”	Shougang Concord Technology Holdings Limited, the holding company of the Santai Vendors and the Aberdeen Vendor and whose shares are listed on the Main Board of the Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	30 June 2012 or such later date as may be agreed in writing between the relevant parties to the Agreements;
“PRC”	the People’s Republic of China which for the purpose of this announcement, includes Hong Kong, Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Santai”	Santai Electronics Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Guarantor;
“Santai Acquisition Agreement”	the sale and purchase agreement dated 12 December 2011 entered into between China Glory, the Santai Vendors and the Guarantor in respect of the purchase by China Glory of the Santai Sale Shares;
“Santai Group”	Santai and Dongguan Santai;

“Santai Property”	an industrial complex located at Qiao Zi Lu, Qiao Zi Village, Changping Town, Dongguan City, the People’s Republic of China* (東莞市常平鎮橋梓管理區) as described in the State-owned Land Use Rights Certificate No. 144 [東府國用(1999)字第特144號] issued by the Land Resources Bureau of Dongguan with a site area of 72,292 square metres;
“Santai Sale Shares”	two issued and fully paid up ordinary shares of HK\$1 each in the issued share capital of Santai which represent its entire issued share capital;
“Santai Vendors”	(i) SCT Electronics Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Guarantor and (ii) Santai Corporate Services Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Guarantor;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the transactions contemplated under the Santai Acquisition Agreement and the Aberdeen Acquisition Agreement;
“US\$”	US dollars, the lawful currency of the United States of America;
“Winteractive”	Winteractive Development Limited, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company; and
“%”	per cent.

In this announcement, translation of assets from RMB to HK\$ are based on an exchange rate of RMB1 to HK\$1.225 which is used for illustration purpose only.

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

Hong Kong, 12 December 2011

As at the date of this announcement, 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.

* For identification purposes only