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*This announcement, for which the directors of Soluteck Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company.*

*The directors of Soluteck Holdings Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading, (ii) there are no other matters the omission of which would make any statement in this announcement misleading, and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



## **SOLUTECK HOLDINGS LIMITED**

**一創科技集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8111)

### **MEMORANDUM OF UNDERSTANDING AND ADDITIONAL FINANCING**

#### **MEMORANDUM OF UNDERSTANDING**

The Board is pleased to announce that after trading hours on 22 June, 2009, the Company has entered into the MOU with the Vendors in relation to the possible acquisition of certain equity interests in the Target Company from the Vendors. Pursuant to the MOU, a refundable deposit of US\$2,000,000 shall be paid by the Company to the Vendors subject to the condition that the Company shall have successfully raised financing, through a placement of shares, of an amount exceeding US\$2,000,000. As the Deposit exceeds 8% under the assets ratio (as defined under Rule 19.07(1) of the GEM Listing Rules), pursuant to Rule 17.15 of the GEM Listing Rules, a general disclosure obligation in respect of the Deposit will arise. Further announcement will be made by the Company upon the payment of the Deposit to the Vendors, in compliance with the GEM Listing Rules.

\* For identification purpose only

The Board wishes to emphasize that no legally binding agreement in relation to the Possible Acquisition has been entered into by the Company and the Vendors as at the date of this announcement. **As the Formal Agreement in respect of the Possible Acquisition may or may not be entered into, and as a result, the Possible Acquisition may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.**

The entering into of the Formal Agreement, if it materializes, will constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. The Company will comply with relevant requirements under the GEM Listing Rules, including the making of announcements, in the event that the Formal Agreement is entered into by the Company.

### **ADDITIONAL FINANCING**

As is presently expected, the Deposit and Possible Acquisition, if it materializes, will require additional funding. Accordingly, the Board announces that the Company intends to finance (i) the Deposit through a share placement pursuant to the existing general mandate, and (ii) the Possible Acquisition and other future business opportunities through raising funds in the capital and debt markets, including several rounds of share placements, bank financings or through a combination of these methods. Further announcements will be made by the Company upon the entering into of any financing transaction, in compliance with the GEM Listing Rules.

If the number of new shares issued pursuant to any placement exceeds the general mandate, the Company will seek the relevant shareholder approval for such issue of new shares in compliance with the GEM Listing Rules.

### **SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 10:21 a.m. on Tuesday, 23 June, 2009 pending the release of price sensitive information. Trading in the Shares on the Stock Exchange will remain suspended until the Company publishes an announcement relating to a potential placement of shares by the Company pursuant to the existing general mandate.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of the Securities on the Growth Enterprise Market (the “**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited.

## **The Possible Acquisition**

The board (“**Board**”) of directors (the “**Directors**”) of Soluteck Holdings Limited (the “**Company**”) is pleased to announce that after trading hours on 22 June, 2009, the Company has entered into a non-legally binding memorandum of understanding (the “**MOU**”) with (i) Max Success Group Limited, a company incorporated in the British Virgin Islands, (ii) Rus Energy Investment Group Ltd., a company incorporated in Hong Kong, and (iii) Mr. Yun Qin, a PRC national (together, the “**Vendors**”), pursuant to which the Company wishes to acquire, and the Vendors wish to sell, all of the equity interests in China-Rus Energy Investment Limited (the “**Target Company**”), a company incorporated in the British Virgin Islands (the “**Possible Acquisition**”). The Target Company is in the process of negotiating an acquisition of a majority stake in a company which is engaged in the exploration of natural gas business in Russia (the “**Subsidiary**”), and such acquisition may or may not be completed.

The MOU shall remain effective between the Company and the Vendors in relation to the Possible Acquisition until (i) the date ending three months after the date of the MOU, or (ii) the execution of a formal sale and purchase agreement (the “**Formal Agreement**”) between the Company and the Vendors in relation to the Possible Acquisition, whichever is earlier.

## **Major Terms of the MOU**

Pursuant to the MOU, it is proposed that the consideration for the Possible Acquisition shall not exceed US\$90,000,000 (the “**Indicative Consideration**”) which shall be satisfied in the following manner:

- (i) the payment of US\$25,000,000 in cash;
- (ii) the issue of certain new shares at the issuance price of HK\$0.80 each, equivalent to an amount of US\$20,000,000; and
- (iii) the issue of certain convertible notes with the conversion price of HK\$0.80 each, equivalent to an amount of US\$45,000,000.

The Indicative Consideration is agreed upon on the basis that:

- (i) upon receipt of the Deposit, the Vendors shall provide a shareholder loan (the “**First Shareholder Loan**”) in the amount equivalent to US\$1,000,000 to the Target Company; and
- (ii) upon receipt of the Final Consideration (as defined below), the Vendors shall provide a shareholder loan (the “**Second Shareholder Loan**”, and together with the First Shareholder Loan, the “**Shareholder Loans**”) in the amount equivalent to US\$15,500,000 to the Target Company, solely for the purposes of the completion of the Possible Acquisition.

The Shareholder Loans shall be assigned to the Company upon completion of the Possible Acquisition.

The Indicative Consideration is purely indicative and for reference only. Pursuant to the MOU, the final consideration for the Possible Acquisition (the “**Final Consideration**”) shall be agreed upon between the Company and the Vendors based on the valuation price (the “**Valuation Price**”) as determined by an independent third party asset valuation firm (on the basis that the Target Company has completed the acquisition of the majority stake in the Subsidiary and fully paid the related consideration in respect thereof) and further negotiations between the Company and the Vendors. If the amount of the Valuation Price is less than the amount of the Indicative Consideration, the Valuation Price shall be the Final Consideration in the Formal Agreement.

After the signing of the MOU, the Company shall pay to the Vendors a refundable deposit of US\$2,000,000 (the “**Deposit**”) subject to the condition that the Company shall have successfully raised financing, through a placement of shares, of an amount exceeding US\$2,000,000. The Deposit shall be applied towards the Final Consideration, if the Possible Acquisition materializes.

Upon the occurrence of any of the following events, the Deposit shall be refunded to the Company without accrued interest on 31 December, 2009 or within ten days of the occurrence of any of the following events, whichever is earlier:

- (i) With respect to the MOU:
  - (a) Any material breach by the Vendors of any obligation, representation or warranty in connection with the MOU; or
  - (b) Any of the conditions precedent in respect of the MOU not being fulfilled;
- (ii) With respect to the Formal Agreement:
  - (a) Failure to enter into the Formal Agreement by the Company and the Vendors;
  - (b) Any material breach by the Vendors of any obligation, representation or warranty in connection with the Formal Agreement; or
  - (c) Any of the conditions precedent in respect of the Formal Agreement not being fulfilled;
- (iii) With respect to any preliminary sale and purchase agreement (the “**Target Preliminary Agreement**”) relating to the acquisition of a majority stake in the Subsidiary by the Target Company:
  - (a) Any material breach by the Vendors of any obligation, representation or warranty in connection with the Target Preliminary Agreement; or
  - (b) Any of the conditions precedent in respect of the Target Preliminary Agreement not being fulfilled;

- (iv) With respect to any formal sale and purchase agreement (the “**Target Formal Agreement**”) relating to the acquisition of a majority stake in the Subsidiary by the Target Company:
  - (a) Failure to enter into the Target Formal Agreement by the Vendors within the prescribed timeline as provided in the Target Preliminary Agreement;
  - (b) Any material breach by the Target Company of any obligation, representation or warranty in connection with the Target Formal Agreement;
  - (c) Any of the conditions precedent in respect of the Target Formal Agreement not being fulfilled;
  - (d) Failure to complete the acquisition of a majority stake in the Subsidiary by the Target Company; or
  - (e) Any material discrepancy (as compared against the description in the recitals of the MOU) in or any material adverse change to the material assets of each of the Target Company and the Subsidiary; or
- (v) Failure to complete the Possible Acquisition without any negligence or fault on the part of the Company.

Upon the occurrence of any of the following events, the Deposit shall be forfeited by the Vendors:

- (i) Failure to complete the Possible Acquisition despite the fulfillment of all the conditions precedent of the Formal Agreement and the Target Formal Agreement, due to negligence or fault on the part of the Company; or
- (ii) Any material breach by the Company of any obligation, representation or warranty in connection with the MOU or the Formal Agreement, such breach not rectified by the Company within ten days upon receipt of a written notice issued by the Vendors in respect thereof.

As the Deposit exceeds 8% under the assets ratio (as defined under Rule 19.07(1) of the GEM Listing Rules, pursuant to Rule 17.15 of the GEM Listing Rules, a general disclosure obligation in respect of the Deposit will arise. Further announcement will be made by the Company upon the payment of the Deposit to the Vendors, in compliance with the GEM Listing Rules.

The completion of the Possible Acquisition shall be subject to certain conditions precedent, including but not limited to:

- (i) The Company being reasonably satisfied with the results of the due diligence on the Target Company and the Subsidiary;
- (ii) The Company being reasonably satisfied with the British Virgin Islands legal opinion in respect of the Target Company and the Russian legal opinion in respect of the Subsidiary;
- (iii) Fulfillment of all the conditions precedent of the Target Formal Agreement; and
- (iv) Approvals by the Board, the shareholders of the Company and the Hong Kong Stock Exchange in respect of the Formal Agreement and the Proposed Acquisition.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendors are independent of and not connected with the Company or its subsidiaries, or any of the connected persons of the Company and their respective associates (as defined in the GEM Listing Rules).

### **Reasons for the Possible Acquisition**

The Company has been exploring potential business opportunities with a view to enhancing its earning potential through diversification of business risks. The Company viewed the Possible Acquisition as a good opportunity to venture into a new business and broaden its revenue base, and on that basis, it decided to enter into the MOU. In the meantime, the Company will continue to explore further business opportunities to diversify into other industries with good business potential and growth prospects.

### **General**

The Board wishes to emphasize that no legally binding agreement in relation to the Possible Acquisition has been entered into by the Company and the Vendors as at the date of this announcement. **Please note that as the formal sale and purchase agreement (the "Formal Agreement") in respect of the Possible Acquisition may or may not be entered into, shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.**

The entering into of the Formal Agreement, if it materializes, may constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. The Company will comply with relevant requirements under the GEM Listing Rules, including the making of announcements, in the event that the Formal Agreement is entered into by the Company.

## **Additional Financing**

As is presently expected, the Deposit and Possible Acquisition, if it materializes, will require additional funding. Accordingly, the Board announces that the Company intends to finance (i) the Deposit through a share placement pursuant to the existing general mandate, and (ii) the Possible Acquisition and other future business opportunities through raising funds in the capital and debt markets, including several rounds of share placements, bank financings or through a combination of these methods. Further announcements will be made by the Company upon the entering into of any financing transaction, in compliance with the GEM Listing Rules.

If the number of new shares issued pursuant to any placement exceeds the general mandate, the Company will seek the relevant shareholder approval for such issue of new shares in compliance with the GEM Listing Rules.

By Order of the Board  
**Soluteck Holdings Limited**  
**Hou Hsiao Bing**  
*Chairman*

Hong Kong, 23 June, 2009

*As of the date hereof, the executive directors are Mr. Hou Hsiao Bing and Mr. Hou Hsiao Wen. The independent non-executive directors are Ms. Lui, Ming Rosita, Mr. Ho Wai Wing, Raymond and Mr. Tam Kam Biu, William.*

*This announcement will remain on the Company's website and on the GEM website with the domain name of [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*