

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Solartech International Holdings Limited and/or Hua Yi Copper Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or 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)



Hua Yi Copper Holdings Limited
華藝銅業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 559)

DISCLOSEABLE TRANSACTION

FORMATION OF A JOINT VENTURE COMPANY FOR THE DEVELOPMENT, PRODUCTION AND SALES OF COPPER PIPE PRODUCTS

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DEFINITIONS

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

“Announcement”	the joint announcement of Solartech and Hua Yi Copper dated 27 October 2005 in relation to the formation of the JV;
“Directors”	the respective directors of Solartech and Hua Yi Copper;
“Hua Yi Copper”	Hua Yi Copper Holdings Limited, a company incorporated in Bermuda and a subsidiary of Solartech and the shares of which are listed on the Stock Exchange;
“Hua Yi Copper Board”	the board of directors of Hua Yi Copper;
“Hua Yi Copper Group”	Hua Yi Copper and its subsidiaries;
“JV”	a limited liability joint venture company proposed to be formed under the laws of the PRC pursuant to the JV Agreement and to be named “Fujian Jinyi Copper Products Company Limited. 福建金藝銅業有限公司”;
“JV Agreement”	the joint venture agreement dated 20 October 2005 entered into between Master Achieve Enterprises, Zijin Investment and Minxi Xinghang in relation to the formation of the JV;
“JV Board”	the board of directors of the JV proposed to be established in accordance with the JV Agreement;
“JV Party”	each of Master Achieve Enterprises, Zijin Investment and Minxi Xinghang; and the “JV Parties” shall be construed accordingly;
“Latest Practicable Date”	15 November 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Master Achieve Enterprises”	Master Achieve Enterprises Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of Hua Yi Copper and an indirect non wholly owned subsidiary of Solartech;

DEFINITIONS

“Minxi Xinghang”	閩西興杭國有資產投資經營有限公司 (Minxi Xinghang State-owned Assets Investment Co., Ltd.), a state-owned limited liability company established under the laws of the PRC;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Solartech”	Solartech International Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Stock Exchange;
“Solartech Board”	the board of directors of Solartech;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Solartech Group”	Solartech and its subsidiaries excluding the Hua Yi Copper Group;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Zijin”	Zijin Mining Group Co., Ltd, a joint stock limited company incorporated in the PRC with limited liability and the H shares of which are listed on the Stock Exchange;
“Zijin Investment”	福建紫金投資有限公司 (Zijin Investment Co. Ltd.), a company incorporated under the laws of the PRC, and a subsidiary of Zijin; and
“%”	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 of Solartech:

CHAU Lai Him (Chairman and Managing Director)

ZHOU Jin Hua (Deputy Chairman)

LAU Man Tak

LIU Jin Rong

Independent Non-Executive directors of Solartech:

LO Kao Cheng

LO Wai Ming

CHUNG Kam Kwong

Executive directors of Hua Yi Copper:

CHAU Lai Him (Chairman and Managing Director)

CHU Yuk Kuen

LEI Hong Wai

HUI Chun Lam

LAU Man Tak

Independent Non-Executive directors of Hua Yi Copper:

LO Miu Sheung, Betty

CHUNG Kam Kwong

CHOW Kin Ming



Hua Yi Copper Holdings Limited

華藝銅業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 559)

*Principal place of business of
Solartech and Hua Yi Copper
in Hong Kong:*

No. 7, 2nd Floor

Kingsford Industrial Centre

13 Wang Hoi Road

Kowloon Bay, Kowloon

Hong Kong

*Registered office of Solartech
and Hua Yi Copper:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

17 November 2005

To the shareholders of Solartech and Hua Yi Copper and the option holders of Solartech

Dear Sir/Madam,

FORMATION OF A JOINT VENTURE COMPANY FOR THE DEVELOPMENT, PRODUCTION AND SALES OF COPPER PIPE PRODUCTS

INTRODUCTION

Reference is made to the Announcement in which the Solartech Board and the Hua Yi Copper Board announced that on 20 October 2005, Master Achieve Enterprises (a wholly owned subsidiary of Hua Yi Copper and an indirect non wholly owned subsidiary of Solartech) entered into the JV Agreement with Zijin Investment and Minxi Xinghang, a

* For identification purposes only

LETTER FROM THE BOARD

definitive agreement under which the JV Parties have agreed to jointly form a limited liability joint venture company in Fujian Province, the PRC to mainly engage in the development, production and sales of copper pipe products. Pursuant to the JV Agreement, the JV will be owned as to 45%, 40% and 15% by Master Achieve Enterprises, Zijin Investment and Minxi Xinghang, respectively.

JV Agreement

The JV Parties

- (a) Master Achieve Enterprises;
- (b) Zijin Investment; and
- (c) Minxi Xinghang.

Registered Capital of the JV and the Capital Contribution

Pursuant to the JV Agreement, the proposed registered capital of the JV is RMB40 million, of which RMB18 million, representing a 45% equity interest in the JV, will be contributed by Master Achieve Enterprises in cash. The remaining registered capital as to RMB16 million, representing 40% of the equity interest in the JV, and as to RMB 6 million, representing 15% of the equity interest in the JV, will be contributed by Zijin Investment and Minxi Xinghang in cash, respectively.

The obligations of the JV Parties as to the contribution to the registered capital of the JV are conditional upon, amongst other things, the following conditions having been fulfilled or waived (if applicable) within 90 days of the issuance of the business licence for the JV by the Administrative Bureau for Industry and Commerce of the PRC:

- (a) the JV Agreement and the constitutional document of the JV having been approved by the relevant examining and approving organisations of the PRC;
- (b) the JV having obtained the business licence to be issued by the Administrative Bureau for Industry and Commerce of the PRC; and
- (c) the JV having obtained all relevant certificates, authorisations and permits in relation to its scope of business from the relevant administrative bodies of the PRC,

and within ten days of the issuance of the business licence for the JV, 30% of the respective capital contribution shall be made by each of the JV Parties, and within six months of the issuance of the business licence for the JV, the remaining 70% of the respective capital contribution shall be made by each of the JV Parties in such manner as determined by the JV Board.

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Scope of Business

The proposed scope of business of the JV shall be to mainly engage in the development, production and sales of copper pipe products. Products of the JV may be sold within and, or outside the PRC.

Composition of the board of directors and senior management of the JV

The JV Board shall be established on the date of the issuance of the business licence for the JV. It is proposed that the JV Board shall consist of five directors, three of whom will be nominated by Master Achieve Enterprises, and each of Zijin Investment and Minxi Xinghang will nominate another director. The director nominated by Zijin Investment shall be the chairman of JV Board and the legal representative of the JV.

The general manager and the deputy general manager of the JV shall be proposed by Master Achieve Enterprises and Zijin Investment, respectively. The senior management of the JV shall comprise the general manager, the deputy general manager and the chief financial officer and such other persons as appointed by the Board.

Profit Sharing

The net profit of the JV shall be confirmed and approved by the JV Board in each year and the JV Board shall resolve that such amount from the net profit be retained for general working capital purposes and that, subject to there being no accumulated losses of the JV, such amount from the net profit be distributed to, and among, the JV Parties in the same proportion as their respective equity interest in the JV. Accumulated net profits of the JV may be used for the purposes of the distribution of dividends to the JV Parties. Subject to the approval of the JV Board and the approval of the relevant governmental authorities of the PRC, interim dividends may be made.

Term of JV

The term of the JV shall be a period of 20 years from the date of the issuance of the business licence for the JV. The JV Parties may agree to extend the term of the JV.

REASONS FOR ENTERING INTO THE TRANSACTION

Solartech, through Hua Yi Copper, has signification experience in the manufacturing and trading of copper related products. The respective Directors of Solartech and Hua Yi Copper consider that, together with the relevant experience of Zijin in the production and sale of mineral resources in the PRC, the formation of JV will enable Hua Yi Copper to consolidate its core copper business and to further expand into copper related business. The respective Directors of Solartech and Hua Yi Copper believe that the terms of the transaction are fair and reasonable and the transaction is in the respective interests of Solartech and its shareholders as a whole and Hua Yi Copper and its shareholders as a whole.

LETTER FROM THE BOARD

Following the formation of the JV and the commencement of its operations, it is expected that the JV will make a positive contribution to the earnings of Hua Yi Copper and, indirectly, to the earnings of Solartech and as the respective interests of Solartech and Hua Yi Copper in the JV will be considered as interests in a joint venture, the Directors of Solartech and Hua Yi Copper expect that, subject to the confirmation of the auditors of Solartech and Hua Yi Copper, the JV and the assets and liabilities of the JV will be accounted for using the equity method of accounting.

INFORMATION ON ZIJIN INVESTMENT AND MINXI XINGHANG

Minxi Xinghang is a state-owned limited liability company established under the laws of the PRC, and is a substantial shareholder (for the purposes of the Listing Rules) and a promoter of Zijin. Zijin Investment is a 99.815% non wholly owned subsidiary of Zijin. Zijin is principally engaged in the exploration, mining, production, refining and sale of gold and other mineral resources in the PRC.

To the best of the knowledge, information and belief of the Directors of Solartech and Hua Yi Copper, and having made all reasonable enquiries, Minxi Xinghang and Zijin Investment and their respective beneficial owners are third parties independent of Solartech, Hua Yi Copper and the connected persons (for the purposes of the Listing Rules) of Solartech and Hua Yi Copper.

As the applicable percentage ratios for the proposed transaction contemplated under the JV Agreement exceed 5% but are less than 25% for each of Solartech and Hua Yi Copper, the entering into the JV Agreement constitutes a discloseable transaction for each of Solartech and Hua Yi Copper under Chapter 14 of the Listing Rules.

INFORMATION ON SOLARTECH AND HUA YI COPPER

Solartech is principally engaged in the manufacture and trading of cable and wires, connectors and terminals.

Hua Yi Copper is principally engaged in the manufacture and trading of copper rods and related products, the design, manufacture and sale of life-like plants and the production, acquisition and distribution of television programmes and provision of related multi-media services.

GENERAL

Your attention is also drawn to the general information set out in the Appendix of this Circular.

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

By Order of the Board
Hua Yi Copper Holdings Limited
Chau Lai Him
Chairman and Managing Director

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Solartech and Hua Yi Copper. The Directors of Solartech collectively and individually accept full responsibility for the accuracy of the information contained in this Circular (so far as that relates to the Solartech Group (except as otherwise indicated)) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts (so far as that relates to the Solartech Group (except as otherwise indicated)) the omission of which would make any statement herein misleading. The Directors of Hua Yi Copper collectively and individually accept full responsibility for the accuracy of the information contained in this Circular (so far as that relates to the Hua Yi Copper Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts (so far as that relates to the Hua Yi Copper Group) the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

2.1 Directors' interests in shares and debt securities of Solartech and its associated corporations

As at the Latest Practicable Date, the interests and short positions held by the Directors and chief executive of Solartech in the shares, underlying shares and debentures of Solartech and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to Solartech and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to Solartech and the Stock Exchange were as follows:

(a) *Long positions in shares of Solartech*

Director	Number of shares of Solartech	Percentage of the issued share capital of Solartech
Mr. Chau Lai Him (<i>Note</i>)	81,992,000	20.90%

Note: These shares are held by Chau's Family 1996 Limited which is wholly owned by the Chau's Family 1996 Trust, a discretionary trust of which Mr. Chau Lai Him is a discretionary object.

(b) Long positions in shares of associated corporations – Hua Yi Copper

Director	Number of shares of Hua Yi Copper	Percentage of the issued share capital of Hua Yi Copper
Mr. Chau Lai Him	2,894,000	0.43%
Mr. Lau Man Tak	970,000	0.15%

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors of Solartech had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of Solartech or its associated corporations which were required to be notified to Solartech and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by Solartech referred to therein, or which were required, pursuant to the Model Code, to be notified to Solartech and the Stock Exchange.

2.2 Substantial shareholders' and other shareholders' interests in Solartech and the Solartech Group including the Hua Yi Copper Group

As at the Latest Practicable Date, pursuant to the register kept by Solartech under Section 336 of the SFO, the following persons had an interest or short position in the shares or underlying shares of Solartech which would fall to be disclosed to Solartech under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in shares of Solartech

	Number of shares of Solartech	Percentage of the issued share capital of Solartech
Chau's Family 1996 Limited (<i>Note</i>)	81,992,000	20.90%

Note: Chau's Family 1996 Limited is wholly owned by the Chau's Family 1996 Trust, a discretionary trust of which Mr. Chau Lai Him is a discretionary object.

Save as disclosed in this Circular, the Directors and chief executive of Solartech are not aware of any person who, as at the Latest Practicable Date, had any interest or short position in the shares or underlying shares of Solartech which would fall to be disclosed to Solartech under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of Solartech, no other person was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other members of the Solartech Group or has any option in respect of such capital:

Interests in the Solartech Group

	Number of shares of Solartech	Percentage of the issued share capital of Solartech
Chau's Family 1996 Limited	81,992,000	20.90% (Note)

Note: Chau's Family 1996 Limited is wholly owned by the Chau's Family 1996 Trust, a discretionary trust of which Mr. Chau Lai Him is a discretionary object.

2.3 Directors' interests in shares and debt securities of Hua Yi Copper and its associated corporations

As at the Latest Practicable Date, the interests and short positions held by the Directors and chief executive of Hua Yi Copper in the shares, underlying shares and debentures of Hua Yi Copper and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to Hua Yi Copper and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code to be notified to Hua Yi Copper and the Stock Exchange were as follows:

Long positions in shares of Hua Yi Copper

Director	Number of shares of Hua Yi Copper	Percentage of the issued share capital of Hua Yi Copper
Mr. Chau Lai Him	2,894,000	0.43%
Mr. Lau Man Tak	970,000	0.15%

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors of Hua Yi Copper had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of Hua Yi Copper or its associated corporations which were required to be notified to Hua Yi Copper and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under

such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by Hua Yi Copper referred to therein, or which were required, pursuant to the Model Code, to be notified to Hua Yi Copper and the Stock Exchange.

2.4 Substantial shareholders' and other shareholders' interests in Hua Yi Copper and the Hua Yi Copper Group

As at the Latest Practicable Date, pursuant to the register kept by Hua Yi Copper under Section 336 of the SFO, the following persons had an interest or short position in the shares or underlying shares of Hua Yi Copper which would fall to be disclosed to Hua Yi Copper under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in shares of Hua Yi Copper

	Number of shares of Hua Yi Copper	Percentage of the issued share capital of Hua Yi Copper
Solartech	397,121,875 <i>(Note)</i>	59.59%
Skywalk Assets Management Limited ("Skywalk")	397,121,875 <i>(Note)</i>	59.59%

Note: Skywalk is a wholly owned subsidiary of Solartech, Solartech was deemed to be interested in the shares of Hua Yi Copper by virtue of the SFO.

Save as disclosed in this Circular, the Directors and chief executive of Hua Yi Copper are not aware of any person who, as at the Latest Practicable Date, had any interest or short position in the shares or underlying shares of Hua Yi Copper which would fall to be disclosed to Hua Yi Copper under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of Hua Yi Copper, no other person was directly or indirectly interest in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings or other members of the Hua Yi Copper Group or has any option in respect of such capital:

Interest in the Hua Yi Copper Group

	Number of shares of Hua Yi Copper	Percentage of the issued share capital of Hua Yi Copper
Solartech	397,121,875 <i>(Note)</i>	59.59%
Skywalk	397,121,875 <i>(Note)</i>	59.59%

Note: Given Skywalk is a wholly owned subsidiary of Solartech, Solartech was deemed to be interested in the shares of Hua Yi Copper by virtue of the SFO.

3. DIRECTORS' INTEREST IN COMPETING BUSINESSES

So far as the Directors of Solartech are aware, none of the Directors of Solartech or their respective associates have any interest in a business which competes or is likely to compete either directly or indirectly with the business of Solartech Group and the Hua Yi Copper Group. So far as the Directors of Hua Yi Copper are aware, none of the Directors of Hua Yi Copper or their respective associates have any interest in a business which competes or is likely to compete either directly or indirectly with the business of Hua Yi Copper Group.

4. LITIGATION

As at the Latest Practicable Date, the Directors of Solartech (so far as it relates to the Solartech Group) and Hua Yi Copper (so far as it relates to the Hua Yi Copper Group) are not aware that any of the respective members of the Solartech Group and the Hua Yi Copper Group were engaged in any litigation or arbitration of material importance and there was no litigation, arbitration or claim of material importance known to the respective Directors of Solartech (so far as it relates to the Solartech Group) and Hua Yi Copper (so far as it relates to the Hua Yi Copper Group) to be pending or threatened by or against any respective members of the Solartech Group and the Hua Yi Copper Group.

5. MATERIAL CHANGE

The Directors of Solartech (so far as it relates to the Solartech Group) and the Hua Yi Copper (so far as it relates to the Hua Yi Copper Group) are not aware of any material adverse change in the financial or trading position of the Solartech Group and the Hua Yi Copper Group since 30th June 2005 (the date to which the latest published audited consolidated accounts of the Solartech Group and the Hua Yi Copper Group were made up).

6. GENERAL

- (a) As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Solartech Group and the Hua Yi Copper Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).
- (b) The company secretary and qualified accountant of Solartech is Mr. Lau Man Tak. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (c) The company secretary and qualified accountant of Hua Yi Copper is Mr. Hui Chun Lam. He is a certified practicing accountant in Australia and an associate member of Hong Kong Institute of Certified Public Accountants.
- (d) The registered office of both Solartech and Hua Yi Copper is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (e) The English language text of this Circular shall prevail over the Chinese language text.