



**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**

**華藝礦業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0559)**

**SUPPLEMENTAL AGREEMENT TO  
THE SALE AND PURCHASE AGREEMENT IN RELATION TO  
DISPOSAL OF LIFE-LIKE PLANT BUSINESS**

Reference is made to SolarTech and Hua Yi's joint announcement dated 21 May 2007 (and joint circular dated 8 June 2007). The parties to the Sale and Purchase Agreement have entered into a supplemental agreement on 19 September 2007 ("**Supplemental Agreement**") to amend certain provisions of the Sale and Purchase Agreement.

**BACKGROUND**

Reference is made to the joint announcement made by SolarTech and Hua Yi dated 21 May 2007 ("**Joint Announcement**") and the joint circular issued by them dated 8 June 2007 ("**Circular**") in relation to a disposal of life-like plant business. Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement and the Circular unless the context herein requires otherwise.

**Sale and Purchase Agreement**

Pursuant to a conditional sale and purchase agreement ("**Sale and Purchase Agreement**") dated 19 May 2007 entered into among the Vendor, the Purchaser and Kong Sun, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares at the Share Consideration. In addition, pursuant to the Sale and Purchase Agreement, the Vendor will at the Completion Date assign all its benefits and rights in respect of the Sale Loan to the Purchaser at the Assignment Consideration. The Aggregate Consideration will be settled partly by way of Kong Sun executing upon the Completion Date the Promissory Note in an amount of HK\$20 million to the Vendor and partly by way of Kong Sun issuing upon the Completion Date the Convertible Bonds for an aggregate principal amount of HK\$40 million to the Vendor or its nominee as the Vendor may direct.

\* *For identification purposes only*

## **Completion**

Completion of the Disposal is conditional on the following conditions being satisfied on or before the Long Stop Date (being 30 September 2007 or such other date as the Parties may otherwise agree): (1) the approval by shareholders of Kong Sun of the Sale and Purchase Agreement and the transactions contemplated thereunder, including without limitation, the issue of the Convertible Bonds and the execution of the Promissory Note, in accordance with the Listing Rules; and (2) the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Conversion Shares (subject only to allotment and matters ancillary thereto) (“**Conditions**”). None of the Conditions may be waived by any of the Parties. As at the date of this announcement, none of the Conditions are satisfied.

## **Bonds Instrument**

Pursuant to the Sale and Purchase Agreement, the Parties agreed that Kong Sun shall upon the Completion Date execute and deliver a Bonds Instrument substantially in the form of the exhibit by way of a deed poll in favour of the Vendor or its nominee. A summary of the key terms of the Convertible Bonds have been set out in the Joint Announcement and the Circular. Under the terms of the Bonds Instrument, it is provided that, among other things, Kong Sun has the right to either require the Vendor or its nominee as bondholder to mandatorily convert any Convertible Bond remaining outstanding as at the third anniversary of the date of issue of the Convertible Bonds (“**Maturity Date**”) into Conversion Shares at the then applicable conversion price or redeem any Convertible Bond remaining outstanding at Maturity Date at its nominal value (“**Mandatory Conversion Right**”).

## **Profit Guarantee**

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to warrant and guarantee to the Purchaser that the audited consolidated net profits after tax and any extraordinary or exceptional items of the Sale Companies will, in aggregate, be not less than HK\$7,000,000 for the financial year ending 30 June 2007 (“**Guaranteed Profit**”). According to the Sale and Purchase Agreement, the audited consolidated profit and loss accounts of the Sale Companies for the period commencing from 1 July 2006 to 30 June 2007 (“**2007 Audited Accounts**”) will be used to determine the audited consolidated net profits after tax and any extraordinary or exceptional items of the Sale Companies.

## **Net Asset Value Guarantee**

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to warrant and guarantee to the Purchaser that the audited consolidated Net Asset Value of the Sale Companies as at 30 June 2007 as shown in the 2007 Audited Accounts will not, in aggregate, be less than HK\$70,000,000 (“**Guaranteed NAV**”).

## **THE SUPPLEMENTAL AGREEMENT**

On 19 September 2007, the Vendor, the Purchaser and Kong Sun entered into a supplemental agreement to amend certain terms of the Sale and Purchase Agreement, including certain of the terms of the Bonds Instrument. Pursuant to the Supplemental Agreement:

- (1) the Long Stop Date as set out in the Sale and Purchase Agreement has been changed to 31 December 2007, such that Completion of the Disposal shall be conditional on the Conditions being satisfied on or before 31 December 2007 or such other date as the Parties may otherwise agree;

- (2) the timing for Kong Sun to exercise the Mandatory Conversion Right as set out in the form of Bonds Instrument to be executed by Kong Sun by way of a deed poll in favour of the Vendor or its nominee at the Completion Date has been changed, such that Kong Sun shall have the right at any time during the Conversion Period to mandatorily convert the whole of the outstanding principal amount of the Convertible Bonds registered in the name of the Bondholder into Conversion Shares at the then applicable Conversion Price, or redeem any Convertible Bonds remaining outstanding at Maturity Date at its nominal value;
- (3) the reference period of the Guaranteed Profit has been changed to the financial year ending 30 June 2008, such that the Vendor has agreed to warrant and guarantee to the Purchaser that the audited consolidated net profits after tax and any extraordinary or exceptional items of the Sale Companies will, in aggregate, be not less than HK\$7,000,000 for the financial year ending 30 June 2008, and that the audited consolidated profit and loss accounts of the Sale Companies for the period commencing from 1 July 2007 to 30 June 2008 (“**2008 Audited Accounts**”) will be used to determine the audited consolidated net profits after tax and any extraordinary or exceptional items of the Sale Companies; and
- (4) the date of determination of the Guaranteed NAV has been changed to 30 June 2008, such that the Vendor has agreed to warrant and guarantee to the Purchaser that the audited consolidated Net Asset Value of the Sale Companies as at 30 June 2008 as shown in the 2008 Audited Accounts will not, in aggregate, be less than HK\$70,000,000.

Save as amended by the Supplemental Agreement, all other terms and conditions of the Sale and Purchase Agreement, including the form of the Bonds Instrument attached thereto as exhibit, remain unchanged and valid.

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*

Hong Kong, 20 September 2007

*As at the date of this announcement, the board of directors of Solartech comprises of Mr. Chau Lai Him, Mr. Zhou Jin Hua, Mr. Liu Jin Rong and Mr. Chow Kin Ming being the executive directors and Mr. Lo Wai Ming, Mr. Chung Kam Kwong and Mr. Lo Chao Ming being the independent non-executive directors.*

*As at the date of this announcement, the board of directors of Hua Yi comprises of Mr. Chau Lai Him, Mr. Chu Yuk Kuen and Mr. Chan Sio Keong being the executive directors and Mr. Lee Kin Keung, Mr. Chung Kam Kwong, Mr. Lo Chao Ming and Dr. Peter Yue being the independent non-executive directors.*