

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, 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)

DISCLOSEABLE TRANSACTION

**PLACING OF NEW SHARES BY
HUA YI COPPER HOLDINGS LIMITED**

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DEFINITIONS

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

“Announcement”	means the joint announcement of Solartech and Hua Yi dated 28 June 2007 in relation to the Placing;
“Business Day”	means a day (other than a Saturday) on which banks in Hong Kong are open for business;
“Company” or “Solartech”	means Solartech International Holdings Limited (Stock Code: 1166), a limited liability company incorporated in Bermuda whose shares are listed on the main board of the Stock Exchange, the holding company of Hua Yi;
“Completion”	means completion of the Placing;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hua Yi”	means Hua Yi Copper Holdings Limited (Stock Code: 559), a limited liability company incorporated in Bermuda whose shares are listed on the main board of the Stock Exchange, and a subsidiary of Solartech;
“Hua Yi Board”	means the board of directors of Hua Yi;
“Hua Yi Directors”	means the directors of Hua Yi;
“Hua Yi Group”	means Hua Yi and its subsidiaries;
“Latest Practicable Date”	16 July 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information for inclusion in this circular;
“Listing Committee”	means the Listing sub-committee appointed by the Stock Exchange for considering applications for the granting of, and permission to deal in all of the Placing Shares;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Placing”	means the placing of the Placing Shares;

DEFINITIONS

“Placing Agent”	means CCB International Capital Limited, a licensed corporation for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO;
“Placing Agreement”	means the conditional agreement entered into by Hua Yi and the Placing Agent on 25 June 2007;
“Placing Price”	means HK\$1.20 per Share, the price at which the Placing Shares were placed pursuant to the Placing Agreement;
“Placing Shares”	means up to 30,000,000 new Shares to be issued by Hua Yi pursuant to the Placing Agreement;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	means ordinary share(s) of par value HK\$0.20 each in the capital of Hua Yi;
“Skywalk”	means Skywalk Assets Management Limited, a company incorporated in the British Virgin Islands, a controlling shareholder of Hua Yi and a wholly-owned subsidiary of Solartech;
“Solartech Board”	means the board of directors of Solartech;
“Solartech Directors”	means the directors of Solartech;
“Solartech Group”	means Solartech and its subsidiaries;
“Solartech Shareholders”	means the shareholders of Solartech;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and
“%”	means 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

Mr. Liu Jin Rong

Mr. Chow Kin Ming

Registered office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive directors

Mr. Lo Wai Ming

Mr. Chung Kam Kwong

Mr. Lo Chao Ming

*Head office and principal place
of business*

No. 7, 2nd Floor

Kingsford Industrial Centre

13 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

19 July 2007

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION PLACING OF NEW SHARES BY HUA YI COPPER HOLDINGS LIMITED

Reference is made to the Announcement in which the Solartech Board and the Hua Yi Board jointly announced that on 25 June 2007 Hua Yi entered into the Placing Agreement with the Placing Agent in relation to the Placing. All the Placing Shares have been fully placed as at the Latest Practicable Date. Following the completion of the Placing, the beneficial interest of Solartech in the issued share capital of Hua Yi has been reduced from approximately 59.74% to approximately 57.19%. Under Chapter 14 of the Listing Rules, the Placing constitutes a deemed disposal and a discloseable transaction for Solartech, on the basis that the calculations of the size tests ratio for Solartech is within the range of 5% and 25%.

The circular contains, among other things, further details of the Placing required to be disclosed under the Listing Rules.

* For identification purposes only

LETTER FROM THE BOARD

PLACING AGREEMENT

Date

25 June 2007

Issuer

Hua Yi

Placing Agent

The Placing Agent is independent of and not connected with the directors, chief executives or substantial shareholders of each of Hua Yi and Solartech or any of their subsidiaries or any associates of any of them (as defined in the Listing Rules).

Placing Shares

A total of up to 30,000,000 new Shares, representing approximately 4.46 per cent. of the issued share capital of Hua Yi prior to the allotment and issue of the Placing Shares and approximately 4.27 per cent. of the issued share capital of Hua Yi as enlarged by the allotment and issue of the Placing Shares, were placed by the Placing Agent on a best effort basis.

Placees

The Placing Shares were placed on a best effort basis to, not fewer than six placees (who were individual, corporate or institutional investors), all of whom were, to the best knowledge of the Hua Yi Directors and the Solartech Directors, independent of and not connected with the directors, chief executive or substantial shareholder of each of Hua Yi and Solartech or any of its subsidiaries or any associates of any of them (as defined in the Listing Rules). All the Placing Shares have been fully placed as at the Latest Practicable Date.

Placing Price

HK\$1.20 per Placing Share. The Placing Price represents:

- (a) a discount of approximately 10.45% to the closing price of HK\$1.340 per Share as quoted on the Stock Exchange on 18 June 2007, being the last trading day of the Shares immediately before the date of the Announcement;
- (b) a discount of approximately 19.25% to the average closing price of approximately HK\$1.486 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately before the date of the Announcement; and

LETTER FROM THE BOARD

- (c) a discount of approximately 9.09% to the closing price of HK\$1.32 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Placing Price, net of the placing commission and other costs and expenses, is approximately HK\$1.133 per Placing Share.

The terms and condition of the Placing Agreement, as well as the Placing Price, were determined between Hua Yi and the Placing Agent at arms' length, in particular, the Hua Yi Directors have taken into account the prevailing market conditions and the historical share price of Hua Yi when determining the Placing Price. The Hua Yi Directors and the Solartech Directors consider that the terms and condition of the Placing Agreement are fair and reasonable and in the best interests of Hua Yi, Solartech and their respective shareholders as a whole.

The Solartech Directors are of the view that the Placing will not have a material impact on the earnings, assets and liabilities of the Solartech Group.

Placing Fee

At Completion, a placing fee of 2.5 per cent. of the aggregate consideration for the Placing Shares was paid to the Placing Agent.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares were allotted and issued under the general mandate granted to the Hua Yi Directors at the annual general meeting of Hua Yi held on 16 November 2006. The aforesaid general mandate entitles Hua Yi to allot and issue up to 133,427,700 new Shares. As at the Latest Practicable Date, no new Shares had been issued pursuant to such general mandate save for the allotment and issue of the Placing Shares.

RANKING OF THE PLACING SHARES

The Placing Shares rank *pari passu* in all respects with the issued Shares as at the date of allotment and issue of the Placing Shares.

CONDITION OF THE PLACING

The placing of the Placing Shares was conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares (either unconditionally or subject to conditions which are acceptable to Hua Yi). If this condition was not fulfilled on or before 15 July 2007 or such later date as the parties may agree, the obligations and liabilities of Hua Yi and the Placing Agent under the Placing Agreement would be null and void and Hua Yi and the Placing Agent would be released from all rights and obligations pursuant to the Placing Agreement.

The above condition has been fulfilled.

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COMPLETION

Completion would take place on the second Business Day after the condition of the placing of the Placing Shares has been fulfilled. As jointly announced by Hua Yi and the Company on 10 July 2007, Completion took place on 10 July 2007.

INFORMATION ON THE COMPANY

Solartech is an investment holding company and the Solartech Group is principally engaged in the manufacture and trading of cables and wires, copper rods, connectors and terminals. As at the Latest Practicable Date, Solartech, through its wholly-owned subsidiary, Skywalk, beneficially owned approximately 57.19% of the issued share capital of Hua Yi.

INFORMATION ON HUA YI

Hua Yi is an investment holding company and the Hua Yi Group is principally engaged in the manufacture and trading of copper rods, life-like plants and production, distribution and licensing of television programmes.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The Hua Yi Board considered that the Placing would enlarge the shareholders base of Hua Yi and strengthen the Hua Yi Group's financial position. The Hua Yi Board considered the Placing to be in the interest of Hua Yi. The net proceeds from the placing of the Placing Shares amount to approximately HK\$34 million. These net proceeds are intended to be used as general working capital of the Hua Yi Group, part of which will be applied by Hua Yi Group to fund part of the consideration for future acquisitions of copper mining investments as the Hua Yi Board considers appropriate when such opportunities arise.

LETTER FROM THE BOARD

EFFECT ON THE SHAREHOLDING STRUCTURE OF HUA YI

The shareholding structure of Hua Yi as at the date of the Announcement and the shareholding structure of Hua Yi after the allotment and issue of the Placing Shares as at the Latest Practicable Date are set out below:

	As at the date of the Announcement		Immediately after the allotment and issue of the Placing Shares	
	<i>Approximate</i> No. of Shares	%	<i>Approximate</i> No. of Shares	%
Skywalk	402,131,875	59.74	402,131,875	57.19
Chau Lai Him	2,894,000	0.43	2,894,000	0.41
Placees (public shareholders)	–	–	30,000,000	4.27
Other public shareholders	268,108,625	39.83	268,108,625	38.13
Total	<u>673,134,500</u>	<u>100.00</u>	<u>703,134,500</u>	<u>100.00</u>

On the basis that the placees procured by the Placing Agent do not hold any Shares immediately before completion of the Placing and there is no other change in the shareholding of Hua Yi after the Latest Practicable Date, to the best of the Hua Yi Directors' knowledge and based on publicly available information including various filings under the SFO, there will not be any new substantial shareholder (within the meaning ascribed thereto in the Listing Rules) of Hua Yi immediately before and after Completion (save as disclosed above).

EFFECT ON SOLARTECH

On the basis that there is no other change in the shareholding of Hua Yi after the Latest Practicable Date, the beneficial interest of Solartech (through its interest in Skywalk) in the issued share capital of Hua Yi has been reduced from approximately 59.74% to approximately 57.19% following the completion of the Placing. Following completion of the Placing, Hua Yi continues to be a subsidiary of Solartech.

As at 30 June 2005, the net profit before taxation and extraordinary items and the net profit after taxation and extraordinary items of Hua Yi were HK\$28,768,000 and HK\$20,443,000. As at 30 June 2006 (being the date up to which the latest published audited consolidated accounts of Hua Yi were made), the net profit before taxation and extraordinary items and the net profit after taxation and extraordinary items of Hua Yi were HK\$109,489,000 and HK\$90,304,000. Net profits attributable to the deemed disposal by Solartech (through its interest in Skywalk) of 2.55% shareholding in Hua Yi for the two financial years ended 30 June 2006 were:

- (a) approximately HK\$733,000 (before taxation and extraordinary items) or approximately HK\$521,000 (after taxation and extraordinary items) for the financial year ended 30 June 2005; and

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- (b) approximately HK\$2,792,000 (before taxation and extraordinary items) or approximately HK\$2,303,000 (after taxation and extraordinary items) for the financial year ended 30 June 2006.

As at 31 December 2006 (being the date up to which the latest published interim report of Hua Yi were made), the consolidated net asset value of Hua Yi was HK\$508,199,000. As at 31 December 2006, the carrying value of the 2.55% shareholding in Hua Yi deemed to have been disposed of by Solartech (through its interest in Skywalk) was approximately HK\$12,959,000 (calculated on the basis of 2.55% of the consolidated net asset value of Hua Yi as at 31 December 2006). Accordingly, this will give rise to an estimated gain of approximately HK\$6,480,000 for Solartech (through its interest in Skywalk).

The market value of the 2.55% shareholding in Hua Yi deemed to have been disposed of by Solartech (through its interest in Skywalk) is approximately HK\$23,001,006 (calculated on the basis of the closing price of HK\$1.34 per Share as quoted on the Stock Exchange on 18 June 2007, being the last trading day of the Shares immediately before the date of the Announcement).

APPLICATION FOR LISTING

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and such approval has been granted by the Stock Exchange.

DISCLOSEABLE TRANSACTION

Following the completion of the Placing, the beneficial interest of Solartech in the issued share capital of Hua Yi has been reduced from approximately 59.74% to approximately 57.19%. Under Chapter 14 of the Listing Rules, the Placing constitutes a deemed disposal and a discloseable transaction for Solartech, on the basis that the calculations of the size tests ratio for Solartech is within the range of 5% and 25%.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

By order of the Board
Solartech International 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. The Solartech Directors 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.

2. DISCLOSURE OF INTERESTS

2.1 Directors' and chief executives' interests in securities of Solartech and its associated corporations

As at the Latest Practicable Date, the interests and short positions held by the Solartech Directors and chief executives 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 were 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 were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were 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:

Long positions in shares of Solartech

Name of director	Class of shares	Capacity in which the shares are held	Number of shares interested	Approximate shareholding
Chau Lai Him	Ordinary shares	Beneficial owner	41,210,000	8.42%
Chau Lai Him	Ordinary shares	Founder of a discretionary trust	81,992,000 (Note)	16.76%

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.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Solartech Directors and chief executives 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 which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to Solartech and the Stock Exchange.

Mr. Chau Lai Him, being a director of Solartech, is also a director of Chau's Family 1996 Limited. Save as disclosed herein, none of the Solartech Directors is a director or employee of a company which has an interest or short position in the shares and 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.

2.2 Substantial shareholders' and other persons' interests in securities of Solartech

So far as is known to any Solartech Director or chief executive of Solartech, as at the Latest Practicable Date, Solartech Shareholders (other than Solartech Directors or chief executive of Solartech) who 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, or, who was, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Solartech Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital, were as follows:

Long positions in shares of Solartech

Name of substantial shareholder	Capacity in which the shares are held	Number of shares interested	Approximate shareholding
Chau's Family 1996 Limited	Beneficial owner	81,992,000 (Note 1) (Note 2)	16.76%
Newcorp Holdings Ltd.	Interest of corporation controlled by substantial shareholder	81,992,000 (Note 2)	16.76%
Hill David Henry Christopher	Interest of corporation controlled by substantial shareholder	81,992,000 (Note 2)	16.76%
Hill Rebecca Ann	Interest of child under 18 or spouse	81,992,000 (Note 2)	16.76%
David William Roberts	Interest of corporation controlled by substantial shareholder	81,992,000 (Note 2)	16.76%

Name of substantial shareholder	Capacity in which the shares are held	Number of shares interested	Approximate shareholding
Centar Investments (Asia) Ltd.	Beneficial owner	21,981,818	4.49%
Credit Suisse Group	Interest of controlled corporation	63,690,000	13.02%
Deutsche Bank Aktiengesellschaft	Security interest in shares	25,970,000	5.31%
Penta Investment Advisers Ltd.	Investment manager	22,192,727	4.54%
Zwaanstra John	Interest of controlled corporation	22,192,727	4.54%
Stark Investments (Hong Kong) Limited	Investment manager	28,363,636	5.80%
Yin Jin Hua	Beneficial owner	55,700,000	11.39%

Notes:

- The 81,992,000 shares of Solartech 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.
- The 81,992,000 shares of Solartech held by each relevant substantial shareholder are the same batch.

Other persons having interests or short positions in other members of the Solartech Group

Name of Solartech's subsidiary	Substantial shareholder of such subsidiary	Nature of interest	Number of existing shares/ fully paid registered capital	Percentage of issued share capital/ registered capital
東莞新寶精化有限公司 Dongguan Xin Bao Precision Chemical Co., Ltd.	Luckyman Assets Management Limited	Beneficial owner	HK\$6,750,000	15%
FT Multi-Media Limited	Nobleman Holdings Limited	Beneficial owner	4,000 shares	40%

Save as disclosed above, so far as is known to any Solartech Director or chief executive of Solartech, as at the Latest Practicable Date, Solartech had not been notified by any persons (other than Solartech Directors or chief executive of Solartech) who 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, or, who was, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Solartech Group, or any options in respect of such capital.

3. DIRECTORS' INTEREST IN COMPETING BUSINESS

To the best of the Solartech Directors' knowledge, information and belief having made all reasonable enquiry, none of the Solartech Directors or their respective associates has any interest in a business which competes or is likely to compete with the business of the Solartech Group.

4. DIRECTORS' SERVICE CONTRACTS

Mr. Chow Kin Ming has entered into a service agreement with Solartech with no fixed period of employment commencing from 31 March 2007, subject to termination by either party on three months' notice. Pursuant to the service agreement, the monthly director's emoluments of Mr. Chow amount to HK\$150,000. The terms of the appointment were approved by the Solartech Board with reference to Mr. Chow's qualifications and experience.

In addition, Mr. Chow Kin Ming has entered into a service agreement with Hua Yi with no fixed period of employment commencing from 1 March 2007, subject to termination by either party of three months' notice. Pursuant to the service agreement, the monthly director's emoluments of Mr. Chow amount to HK\$150,000. The terms of the appointment were approved by the Hua Yi Board with reference to Mr. Chow's qualifications and experience.

Save as disclosed herein, none of the Solartech Directors has any existing or proposed service contracts with any respective members of the Solartech Group, excluding contracts expiring or determinable by any respective members of the Solartech Group within one year without payment of any compensation other than statutory compensation.

5. LITIGATION

As at the Latest Practicable Date, the Solartech Directors (so far as it relates to the Solartech Group) are not aware of any litigation or claims of material importance pending or threatened against any member of the Solartech Group.

6. GENERAL

- (a) The company secretary of Solartech is Mr. Chow Kin Ming. Mr. Chow is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (b) The qualified accountant of Solartech is Ms. Chan Kam Yee. Ms. Chan is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (c) The registered office of Solartech is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (d) The head office of Solartech is at No. 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong.
- (e) The transfer office of Solartech is at Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) The English language text of this circular shall prevail over the Chinese language text.