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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 DISPOSAL OF ENTIRE EQUITY INTEREST IN HUA YI COPPER HOLDINGS LIMITED

The Board announces that on 30 April 2009, the Vendor, an indirectly wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser. Pursuant to the Sale and Purchase Agreement, the Vendor agreed to dispose of and the Purchaser agreed to purchase 80,426,375 Hua Yi Shares, representing approximately 28.62% of the total issued share capital of Hua Yi. This also represents the entire equity interest held by the Company in Hua Yi. The total consideration for the Disposal is HK\$24,127,912.50 payable in cash.

As the applicable percentage ratios under Rule 14.06 of the Listing Rules applicable to the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

Pursuant to the Sale and Purchase Agreement, completion of the Disposal shall take place on or before 5 May 2009.

THE SALE AND PURCHASE AGREEMENT

Date: 30 April 2009

Parties:

1. Purchaser: Intense Rise Holdings Limited.
2. Vendor: Skywalk Assets Management Limited, an indirect wholly-owned subsidiary of the Company.

* *For identification purpose only*

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Purchaser and its beneficial owner are independent of the Company and its connected persons (as defined in the Listing Rules).

Interests to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, which represent approximately 28.62% of the total issued share capital of Hua Yi. As the Sale Shares are all the interests the Company directly or indirectly held in Hua Yi immediately prior to the completion of the Sale and Purchase Agreement, the Company shall cease to hold any equity interest in Hua Yi following such completion.

Consideration

The total consideration payable for the sale and purchase of the Sale Shares is HK\$24,127,912.50 which shall be paid in cash by the Purchaser at Completion.

The consideration was determined after arm's length negotiations between the parties on normal commercial terms. The consideration is arrived at by multiplying the total number of Sale Shares by the consideration per Sale Share. The consideration per Sale Share represents a discount of approximately 36% to the average closing price of the Hua Yi Shares on the Stock Exchange for the five trading days immediately before the date of the Sale and Purchase Agreement.

Completion

Completion shall take place on or before 5 May 2009.

INFORMATION ON THE GROUP AND THE COMPANY

The Company is an investment holding company and the Group is principally engaged in the manufacture and trading of cables and wires for use in household electrical appliances and electronic products, copper products, connectors and terminals and wire harness.

Prior to the completion of the Disposal, the Company, through the Vendor, owned a total of 80,426,375 Hua Yi Shares, representing approximately 28.62% of the total issued share capital of Hua Yi. Upon completion of the Disposal, the Company shall cease to hold any direct or indirect interests in Hua Yi.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands and is an investment holding company. The Purchaser is beneficially wholly-owned by Mr. Wong Hin Shek. Mr. Wong Hin Shek is, prior to the entering into of the Transaction, independent from the Hua Yi Group. Mr. Wong Hin Shek is currently an executive director of each of Climax International Company Limited, Golden Resorts Group Limited and Sunny Global Holdings Limited, all of which are companies listed on the main board of the Stock Exchange.

INFORMATION ON HUA YI

Hua Yi is an investment holding company and Hua Yi, together with its subsidiaries, are principally engaged in the manufacture and trading of cables, wires and copper wires in the PRC. Products manufactured and sold by Hua Yi and its subsidiaries include cables, wires and copper wires with tinsel, enamel or tin coating, which are used primarily in producing power cables and wires for use in household electrical appliances and electronic products. Hua Yi is also engaged in iron ore mining and the manufacture and sale of iron ore concentrated powder.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Upon completion of the Disposal, the Group shall cease to hold any interest in the Hua Yi Group.

The Company considers the Disposal a good opportunity for the Company to realise its investment especially given that the Purchaser is able to pay the entire consideration in one lump sum. Moreover, in view of the current volatile market, the Disposal allows the Company to realise its investment in Hua Yi in an orderly manner. The proceeds from the Disposal will be used as the general working capital of the Group, which will further strengthen the financial position of the Group and enhance its cashflow.

As set out in the section headed “Consideration”, the Company shall receive gross proceeds of HK\$24,127,912.50 under the Disposal. The Company will benefit from a stronger working capital position after realising the proceeds from the Disposal.

The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the Group and shareholders of the Company as a whole.

FINANCIAL INFORMATION OF HUA YI

As disclosed in the published audited financial statements of Hua Yi for the year ended 30 June 2008, the value of the audited consolidated net assets value of the Hua Yi Group as at 30 June 2008 was approximately HK\$707,173,000.

Set out below is the audited net (loss) profit (before and after taxation and extraordinary items) of Hua Yi prepared for the two financial years ended 30 June 2007 and 2008:

	For the year ended	
	30 June 2007	30 June 2008
	<i>HK\$</i>	<i>HK\$</i>
Net (loss) profit before taxation and extraordinary items	(14,806,000)	22,308,000
Net (loss) profit after taxation and extraordinary items	(14,154,000)	10,954,000

The net (loss) profit (before and after taxation and extraordinary items) attributable to the shares of Hua Yi disposed of by the Company for the two financial years ended 30 June 2007 and 2008 respectively are set out below:

	For the year ended	
	30 June 2007	30 June 2008
	<i>HK\$</i>	<i>HK\$</i>
Attributable Net (loss) profit before taxation and extraordinary items	(4,237,000)	6,385,000
Attributable Net (loss) profit after taxation and extraordinary items	(4,051,000)	3,135,000

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.06 of the Listing Rules applicable to the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

FINANCIAL EFFECT OF THE DISPOSAL

The Company expects to recognise an unaudited loss of approximately HK\$91,844,000 in the accounts of the Company upon completion of the Disposal. Such loss is the difference between the consideration and the value of the interest the Company holds in Hua Yi as at 31 December 2008 recorded in the unaudited interim report of the Company for the six months ended 31 December 2008 and after taking into account of the dilution effect after the placing of Hua Yi completed on 22 January 2009. The final amount of the actual gain or loss as a result of the Disposal will be determined as at the date of completion.

USE OF PROCEEDS

The Directors expect that the gross proceeds from the Disposal of approximately HK\$24 million will be used for general working capital of the Group.

DEFINITIONS

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

“Board”	the board of Directors of the Company;
“Company”	Solartech International Holdings Limited, an exempt company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange;
“Completion Date”	the date on which the completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement occurs;
“Directors”	directors of the Company;

“Disposal”	the sale of the Sale Shares by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement;
“Group”	the Company and its subsidiaries;
“Hua Yi”	Hua Yi Copper Holdings Limited, an exempt company incorporated in Bermuda whose shares are listed on the main board of the Stock Exchange;
“Hua Yi Group”	Hua Yi and its subsidiaries;
“Hua Yi Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of Hua Yi;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Purchaser”	Intense Rise Holdings Limited, a company incorporated under the laws of British Virgin Islands. It is beneficially wholly-owned by Mr. Wong Hin Shek;
“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 30 April 2009 entered into between the Vendor and the Purchaser relating to the sale of the Sale Shares held by the Vendor to the Purchaser;
“Sale Share(s)”	80,426,375 Hua Yi Shares representing 28.62% of the total issued share capital of Hua Yi;
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Skywalk Assets Management Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

On behalf of the Board
Chau Lai Him
Chairman and Managing Director

Hong Kong SAR, 30 April 2009

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