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**HUA YI COPPER
HOLDINGS LIMITED**
**華藝銅業控股
有限公司***

(Incorporated in Bermuda with limited liability)
(Stock Code: 0559)



**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)

**PLACING OF EXISTING SHARES
AND TOP-UP SUBSCRIPTION OF NEW SHARES
IN HUA YI COPPER BY SOLARTECH**

Placings Agents



Kingston Securities Limited

VINCO 

Grand Vinco Capital Limited

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES

On 4 July 2005, the Vendor, a wholly-owned subsidiary of Solartech, entered into the Top-Up Placing Agreement and the Subscription Agreement with the Top-Up Placing Agents and Hua Yi Copper respectively. The Vendor presently holds 397,121,875 of the issued shares of Hua Yi Copper and pursuant to the Top-Up Placing Agreement, the Vendor has agreed to place, through the Top-Up Placing Agents, 111,000,000 shares in the share capital of Hua Yi Copper to independent investors at a price of HK\$0.88 per Share. On completion of the Top-Up Placing, the Vendor will, pursuant to the Subscription Agreement, subscribe for 111,000,000 new Shares at a price of HK\$0.88 per Share.

The Top-Up Placing is unconditional and fully underwritten by the Top-Up Placing Agents on a several basis (each as to 55,500,000 Top-Up Placing Shares). Completion of the Subscription is subject to the satisfaction of certain conditions as described below. If these conditions are not fulfilled, the Subscription will not proceed.

The Top-Up Placing Shares represent approximately 19.98% of the existing issued share capital of Hua Yi Copper of 555,474,500 Shares, approximately 16.65% of Hua Yi Copper's issued share capital as enlarged by the Subscription (assuming the New Shares Placing has not occurred) and approximately 14.87% of the issued capital of Hua Yi Copper as enlarged by the issue of 111,000,000 new Shares under the Subscription (assuming the New Shares Placing proceeds and is undertaken in full). The net proceeds from the Subscription of approximately HK\$92.68 million will be used by the Group as working capital of the Group for operating activities including purchasing of raw materials and repayment of trust receipt loans.

The Vendor has an approximately 71.49% interest in Hua Yi Copper as at the date of this announcement, which will be reduced to approximately 51.51% immediately upon completion of the Top-Up Placing (assuming the New Shares Placing has not occurred), and will then be increased to approximately 59.59% immediately upon completion of the Subscription (assuming the New Shares Placing has not occurred).

The Subscription is conditional upon, amongst other things, the Stock Exchange granting listing of and permission to deal in the Subscription Shares. The Subscription Shares are proposed to be issued pursuant to the existing general mandate given to the directors of Hua Yi Copper to allot and issue Shares.

* for identification only

SUSPENSION AND RESUMPTION OF TRADING

Trading in the shares of Hua Yi Copper was suspended at the request of Hua Yi Copper from 9:30 a.m. on 28 June 2005 pending release of a separate announcement of Hua Yi Copper dated 4 July 2005 in connection with the results announcement and interim report for Solartech. Hua Yi Copper has applied for the resumption of trading in the shares of Hua Yi Copper with effect from 9:30 a.m. on 5 July 2005.

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Agreement to place 111,000,000 existing Shares dated 4 July 2005

Parties:	The Vendor and the Top-Up Placing Agents.
Placing Agents:	The Top-Up Placing Agents are independent of and not connected with the directors, chief executive or substantial shareholders of the Vendor, each member of the Group or any of their respective associates. The Top-Up Placing Agents will receive a placement commission of 2.5% on the gross proceeds of the Top-Up Placing.
Placees:	The Top-Up Placing Shares will be placed with not less than six placees who will be independent of and not connected with the directors, chief executive or substantial shareholders of the Vendor, each member of the Group or any of their respective associates. It is expected that no placee will become a substantial shareholder of Hua Yi Copper as a result of the Top-Up Placing.
Number of Top-Up Placing Shares:	111,000,000 Shares to be placed, representing approximately 19.98% of the existing issued share capital of Hua Yi Copper of 555,474,500 Shares, and approximately 16.65% of the issued capital of Hua Yi Copper as enlarged by the issue of 111,000,000 new Shares under the Subscription (assuming the New Shares Placing has not occurred) and approximately 14.87% of the issued capital of Hua Yi Copper as enlarged by the issue of 111,000,000 new Shares under the Subscription (assuming the New Shares Placing proceeds and is undertaken in full). The Top-Up Placing is fully underwritten by the Top-Up Placing Agents on a several basis (each as to 55,500,000 Top-Up Placing Shares).
Top-Up Placing Price:	HK\$0.88 per Top-Up Placing Share (exclusive of stamp duty, brokerage (if any), Stock Exchange trading fees, investor compensation levies and SFC transaction levies). This price was agreed after arm's length negotiations and represents: <ul style="list-style-type: none">(i) a discount of approximately 5.38% to the closing price of HK\$0.93 per Share as quoted on the Stock Exchange on 27 June 2005, being the last trading day of the Shares immediately before and including the date of this announcement; and(ii) a discount of approximately 4.35% to the average closing price of approximately HK\$0.92 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately before and including the date of this announcement. The Top-Up Placing Price, net of placing commission and other costs and expenses, is approximately HK\$0.83 per Top-Up Placing Share.
Rights:	The Top-Up Placing Shares will rank equally with the existing Shares, will be free and clear of encumbrances and will carry the right to dividends declared, made or paid after the date of the Top-Up Placing Agreement.
Termination:	The Top-Up Placing is not subject to any termination provisions.
Completion:	The Top-Up Placing Agreement is unconditional and completion of the Top-Up Placing is expected to take place on or before 7 July 2005 or such other date as may be agreed by the Vendor and the Top-Up Placing Agents.

Agreement to subscribe for 111,000,000 New Shares dated 4 July 2005

Parties:	The Vendor, as subscriber, and Hua Yi Copper.
Number of Subscription Shares:	Hua Yi Copper will issue 111,000,000 new Shares to the Vendor representing approximately 19.98% of the existing issued share capital of Hua Yi Copper and approximately 16.65% of the issued share capital of Hua Yi Copper as enlarged by the issue of the Subscription Shares (assuming the New Shares Placing has not occurred) and approximately 14.87% of the issued capital of Hua Yi Copper as enlarged by the issue of 111,000,000 new Shares under the Subscription (assuming the New Shares Placing proceeds and is undertaken in full).

Subscription Price: HK\$0.88 per Subscription Share (exclusive of stamp duty, brokerage (if any), Stock Exchange trading fees, investor compensation levies and SFC transaction levies). Subject to the Subscription being completed, Hua Yi Copper will bear the costs and expenses in connection with the Top-Up Placing and the Subscription which are estimated to be approximately HK\$5 million. Any interest earned by the Vendor on the moneys raised by the Top-Up Placing, between the date of completion of the Top-Up Placing and the date of completion of the Subscription, will be paid to Hua Yi Copper. The Subscription Price, net of costs and expenses, is approximately HK\$0.83 per Subscription Share.

General Mandate: The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the directors of Hua Yi Copper by resolution of its shareholders passed at Hua Yi Copper's general meeting held on 24 May 2005, which authorised the directors of Hua Yi Copper to allot and issue a maximum of 111,094,900 Shares.

The general mandate has not been utilised prior to entering into of the Subscription Agreement. Save for the top-up placing and subscription of 25,912,000 Shares (which raised a net proceeds of approximately HK\$23 million) and the proposed placing of up to 80,000,000 new Shares (which is expected to raise a net proceeds of approximately HK\$72.40 million (assuming the New Shares Placing is undertaken in full) as announced in Hua Yi Copper's announcement dated 27 April 2005, Hua Yi Copper has not undertaken any fund raising activities in the 12 months immediately before the date of this announcement. Details of the top-up placing and subscription of 25,912,000 Shares and the proposed placing of up to 80,000,000 new Shares are as follows:

	Top-up Placing and Subscription of 25,912,000 Shares	New Shares Placing of 80,000,000 Shares
• intended use of proceeds:	To be used by the Group to acquire machinery and other equipment in anticipation of the completion of construction of its manufacturing plant in Kunshan, Jiangsu province, the PRC, so as to meet customer demand in that area	To be used by the Group as follows: (i) up to HK\$30 million to acquire machinery and other equipment in anticipation of the completion of construction of its manufacturing plant in Kunshan, Jiangsu province, the PRC, so as to meet customer demand in that area; and (ii) the remainder will be used as general working capital of the Group
• actual use of proceeds:	Fully utilised in line with the intended use as disclosed in the announcement of Hua Yi Copper dated 27 April 2005	Pending
• usage of general mandate:	Yes	Pursuant to a specific mandate granted by the shareholders of Hua Yi Copper at the special general meeting of Hua Yi Copper dated 24 May 2005
• subscriber:	Skywalk	The New Placing Shares will be placed with not less than six placees who will be independent of and not connected with the directors, chief executive or substantial shareholders of any member of the Group or any of their respective associates
• principal amount raised:	The net proceeds was approximately HK\$23 million	The net proceeds, if the New Shares Placing proceeds, is expected to be approximately HK\$72.40 million (assuming the New Shares Placing will be undertaken in full)
• Placing price:	HK\$0.93	HK\$0.93

Ranking of Subscription Shares: The Subscription Shares will rank equally with Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions: The Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Subscription Shares;
- (b) completion of the Top-Up Placing in accordance with the Top-Up Placing Agreement; and
- (c) if required, the Bermuda Monetary Authority granting or agreeing to grant permission to allot, issue and subsequent transfer of the Subscription Shares.

Application will be made to the Stock Exchange to grant the listing of and permission to deal in the Subscription Shares. The listing of the Subscription Shares may not be granted, if so, the Subscription will not proceed.

Completion: Pursuant to the Subscription Agreement, and in accordance with the Listing Rules, the Subscription must be completed 13 days after the date of the Subscription Agreement, that is, on or before 18 July 2005 (or such other date as Hua Yi Copper and the Vendor may agree, such agreement not to unreasonably withheld or delayed and subject to compliance with the Listing Rules), failing which the Subscription shall cease and terminate.

Reason for the Top-Up Placing and Subscription, Use of Proceeds and status of the New Shares Placing

Reference is made to Hua Yi Copper's announcements dated 27 April 2005 and 14 June 2005 in relation to the proposed placing of up to 80,000,000 new Shares to independent investors, through the New Shares Placing Agent, at a price of HK\$0.93 per new Share on a best efforts basis, whereby it has been agreed between Hua Yi Copper and the New Shares Placing Agent that the latest date for fulfilment of the conditions as set out in the New Shares Placing Agreement be extended to 15 July 2005.

The Top-Up Placing and Subscription will not affect the terms of the New Shares Placing. In view of the current market conditions, the directors of Hua Yi Copper have decided to proceed with the Top-Up Placing and Subscription pending the implementation of the New Shares Placing subject to and in accordance with the terms of the New Shares Placing Agreement. The directors of Hua Yi Copper currently expects that the New Shares Placing will proceed as planned, subject to market conditions and performance of the trading price of the shares of Hua Yi Copper, and Hua Yi Copper is continuing its discussion with the New Shares Placing Agent in relation to the New Shares Placing.

The directors of Hua Yi Copper and Solartech consider that given the current market condition, the Top-Up Placing and Subscription will enable Hua Yi Copper to raise further working capital for Hua Yi Copper on favourable terms while at the same time broadening its shareholder and capital base. In particular, the directors of Hua Yi Copper and Solartech have noted increases in the cost of raw material for Hua Yi Copper over the last year and believe that additional funding provided by the New Shares Placing and the Top-Up Placing would create flexibility to Hua Yi Copper to utilise its working capital. The directors of Hua Yi Copper also noted an increase in the demand of its copper wire products recently and expect to increase production with the aim of meeting such demand. The directors of Hua Yi Copper therefore believe that it would be in the best interest of the Company and its shareholders as a whole to implement the Top-Up Placing and Subscription.

The net proceeds from the Subscription, of approximately HK\$92.68 million, will be used by the Group as working capital of the Group for operating activities, including purchasing of raw materials and repayment of trust receipt loans (as at 31 March 2005 amounts to approximately HK\$250 million). The use of proceeds of the New Shares Placing as announced in Hua Yi Copper's announcement dated 27 April 2005 remains unchanged.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of Hua Yi Copper and the shareholding structure of Hua Yi Copper immediately upon completion of the Top-Up Placing, Subscription and New Shares Placing (assuming the New Share Placing proceeds and is undertaken in full) are set out below:

	Existing		Immediately after the Top-Up Placing (without taking into account the New Placing Shares)		Immediately after the Top-Up Placing and Subscription (without taking into account the New Placing Shares)		Immediately after the Top-Up Placing, Subscription and New Shares Placing (assuming the New Share Placing proceeds and is undertaken in full)	
	Shares	%	Shares	%	Shares	%	Shares	%
Vendor	397,121,875	71.49%	286,121,875	51.51%	397,121,875	59.59%	397,121,875	53.20%
Mr. Chau Lai Him	50,000	0.01%	50,000	0.01%	50,000	0.01%	50,000	0.01%
Places of the Top-Up Placing Shares	-	-	111,000,000	19.98%	111,000,000	16.65%	111,000,000	14.87%
Places of the New Shares Placing Shares	-	-	-	-	-	-	80,000,000	10.72%
Other public shareholders of Hua Yi Copper	158,302,625	28.50%	158,302,625	28.50%	158,302,625	23.75%	158,302,625	21.20%
Total	555,474,500	100.00%	555,474,500	100.00%	666,474,500	100.00%	746,474,500	100.00%

Note: The above figures assume that other than the Subscription Shares and the New Placing Shares, no further Shares are issued or repurchased by Hua Yi Copper and no Share Options are exercised, and other than the Top-Up Placing Shares, no Shares are sold or purchased by the Vendor, in each case after the date of this announcement and up to the date of the completion of the New Shares Placing.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the shares of Hua Yi Copper was suspended at the request of Hua Yi Copper from 9:30 a.m. on 28 June 2005. Hua Yi Copper has applied for the resumption of trading in the shares of Hua Yi Copper with effect from 9:30 a.m. on 5 July 2005.

GENERAL

Hua Yi Copper is principally engaged in the (i) manufacturing and trading of copper rods and related products; (ii) trading of life-like plants; and (iii) production, distribution and licensing of television programmes.

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

DEFINITIONS

The following defined terms are used in this announcement:

“associate”	has the meaning ascribed to it in the Listing Rules
“Hua Yi Copper”	Hua Yi Copper Holdings Limited
“Group”	Hua Yi Copper and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Placing Shares”	up to 80,000,000 new Shares to be placed by the New Shares Placing Agent pursuant to the New Shares Placing Agreement
“New Shares Placing”	the placing of the New Placing Shares pursuant to the New Shares Placing Agreement
“New Shares Placing Agent”	Grand Vinco Capital Limited
“New Shares Placing Agreement”	placing agreement dated 26 April 2005 between Hua Yi Copper and the New Shares Placing Agent, as amended by a supplemental agreement dated 14 June 2005
“Share Options”	share options granted under the share option scheme of Hua Yi Copper adopted on 4 December 2003 and share options previously granted under the previous share option scheme of Hua Yi Copper adopted on 13 December 1996
“Shares”	ordinary shares of HK\$0.20 each in the capital of Hua Yi Copper
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Solartech”	Solartech International Holdings Limited, a company incorporated in Bermuda

“Subscription Agreement”	subscription agreement between the Vendor and Hua Yi Copper dated 4 July 2005
“Subscription Shares”	111,000,000 Shares to be subscribed for by the Vendor pursuant to the Subscription Agreement
“Subscription”	the subscription for the Subscription Shares pursuant to the Subscription Agreement
“Top-Up Placing Agreement”	placing agreement between the Vendor and the Top-Up Placing Agents dated 4 July 2005
“Top-Up Placing”	the placing of the Top-Up Placing Shares pursuant to the Top-Up Placing Agreement
“Top-Up Placing Agent”	Kingston Securities Limited and Grand Vinco Capital Limited, as joint placing agents for the Top-Up Placing
“Top-Up Placing Shares”	the 111,000,000 Shares to be placed by the Top-Up Placing Agents pursuant to the Top-Up Placing Agreement
“Vendor”	Skywalk Assets Management Limited, a company incorporated in the British Virgin Islands, the controlling shareholder of Hua Yi Copper and a wholly-owned subsidiary of Solartech

By order of the board
Hua Yi Copper Holdings Limited
Chau Lai Him
Chairman and Managing Director

By order of the board
Solartech International Holdings Limited
Chau Lai Him
Chairman and Managing Director

Hong Kong, 4 July 2005

As at the date of this announcement, the executive directors of Hua Yi Copper are Mr. Chau Lai Him, Mr. Lau Man Tak, Mr. Hui Chun Lam, Mr. Chu Yuk Kuen and Mr. Lei Hong Wai, and the independent non-executive directors of Hua Yi Copper are Mr. Chow Kin Ming, Mr. Chung Kam Kwong and Ms. Lo Miu Sheung, Betty.

As at the date of this announcement, the executive directors of Solartech are Mr. Chau Lai Him, Mr. Zhou Jin Hua, Mr. Lau Man Tak and Mr. Liu Jin Rong, and the independent non-executive directors of Solartech are Mr. Chung Kam Kwong, Mr. Lo Kao Cheng and Mr. Lo Wai Ming.

“Please also refer to the published version of this announcement in The Standard.”