



## 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)

### PROPOSED FORMATION OF A JOINT VENTURE COMPANY FOR THE PRODUCTION OF COPPER PIPE PRODUCTS

This announcement is being made pursuant to Rule 13.09 of the Listing Rules.

The Solartech Board and the Hua Yi Copper Board are pleased to announce that on 8 September 2005, Master Achieve Enterprises (a subsidiary of Solartech and Hua Yi Copper) entered into the Letter of Agreement with Zijin Investment and Minxi Xinghang under which the parties have agreed to jointly form a limited liability joint venture company in Fujian Province, the PRC to mainly engage in copper pipes production and sales in Shanghang, Fujian. The proposed formation of the JV is subject to the parties entering into a definitive joint venture agreement and approval by the relevant PRC authorities.

Pursuant to the Letter of Agreement, the proposed registered capital of the JV is RMB40.5 million, of which RMB18,225,000, representing a 45% equity interest in the JV, will be contributed by Master Achieve Enterprises in cash. The remaining registered capital as to RMB16,200,000, representing 40% of the equity interest in the JV and as to RMB6,075,000, representing 15% of the equity interest in the JV, will be contributed by Zijin Investment and Minxi Xinghang in cash, respectively. The parties agreed to invest up to a maximum amount of RMB90 million (including the capital contribution of RMB40.5 million) in the same proportion as their respective equity interests in the JV.

To the best of the knowledge, information and belief of the respective 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 of Solartech and Hua Yi Copper.

As the applicable percentage ratios for the proposed transaction contemplated under the Letter of Agreement is expected to exceed 5% but be less than 25% for each of Solartech and Hua Yi Copper, such transaction, if entered into, is expected to constitute a discloseable transaction for each of Solartech and Hua Yi Copper under Chapter 14 of the Listing Rules.

#### INTRODUCTION

On 8 September 2005, Master Achieve Enterprises (a wholly owned subsidiary of Hua Yi Copper and an indirect non wholly owned subsidiary of Solartech) entered into the Letter of Agreement with Zijin Investment and Minxi Xinghang under which the parties have agreed to jointly form a limited liability joint venture company in Fujian Province, the PRC to mainly engage in copper pipes production and sales in Shanghang, Fujian. Pursuant to the Letter of Agreement, it is intended that the proposed JV will be owned as to 45%, 40% and 15% by Master Achieve Enterprises, Zijin Investment and Minxi Xinghang, respectively.

#### Letter of Agreement

##### The Parties

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

#### Registered Capital of the JV and the Capital Contribution

It is proposed that the registered capital of the JV will be RMB40.5 million.

Pursuant to the Letter of Agreement, it is proposed that the registered capital of the JV will be RMB40.5 million, of which RMB18,225,000, representing a 45% equity interest in the JV, will be contributed by Master Achieve Enterprises in cash. The remaining registered capital as to RMB16,200,000, representing 40% of the equity interest in the JV, and as to RMB6,075,000, representing 15% of the equity interest in the JV, will be contributed by Zijin Investment and Minxi Xinghang in cash, respectively.

The parties agreed to invest up to a maximum amount of RMB90 million (including the capital contribution of RMB40.5 million) in the same proportion as their respective equity interests in the JV, in which Master Achieve Enterprises, Zijin Investment and Minxi Xinghang will invest additional amounts of RMB22,275,000, RMB19,800,000 and RMB7,425,000, respectively.

In connection with the formation of the JV and within one week of the opening of the relevant account for capital certification purpose, Master Achieve Enterprises, Zijin Investment and Minxi Xinghang shall contribute 30% of their respective capital contribution.

#### Scope of Business

According to the Letter of Agreement, the scope of business of the JV will be to mainly engage in copper pipes production and sales in Shanghang, Fujian.

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

It is proposed that the board of directors of the JV shall consist of five directors, two of whom shall be nominated by Master Achieve Enterprises, another two by Zijin Investment and one by Minxi Xinghang.

The management of the JV shall be appointed by the directors of the JV, the general manager shall be nominated by Master Achieve Enterprises and the deputy general manager and the chief financial officer shall be nominated by Zijin Investment.

#### INFORMATION ON ZIJIN INVESTMENT AND MINXI XINGHANG

Minxi Xinghang is a state-owned limited liability company established under the laws of the PRC. Zijin Investment is a 99.815% non wholly owned subsidiary of Zijin Mining Group Co., Ltd., an H share company listed on the Stock Exchange.

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 of Solartech and Hua Yi Copper.

As the applicable percentage ratios for the proposed transaction contemplated under the Letter of Agreement is expected to exceed 5% but be less than 25% for each of Solartech and Hua Yi Copper, such transaction, if entered into, would constitute a discloseable transaction for each of Solartech and Hua Yi Copper under Chapter 14 of the Listing Rules.

**Your attention is drawn to the fact that the proposed formation of the JV is subject to the execution of a definitive joint venture agreement and approval of the relevant PRC authorities. Further announcement will be made by Solartech and Hua Yi Copper if and when such definitive joint venture agreement is entered into by the parties.**

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

|                              |  |
|------------------------------|--|
| “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;   |
| “JV”                         | a limited liability joint venture company proposed to be formed under the laws of the PRC pursuant to the Letter of Agreement and to be named “Fujian Shanghang Jinyi Copper Co., Ltd*” “福建省上杭縣金藝銅業有限公司”   |
| “Letter of Agreement”        | the letter of agreement dated 8 September 2005 entered into between Master Achieve Enterprises, Zijin Investment and Minxi Xinghang in relation to the formation of the JV;                                |
| “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;                           |
| “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;   |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited;   |
| “Zijin Investment”           | 福建紫金投資有限公司 (Fujian Zijin Investment Co., Ltd.*), a company incorporated under the laws of the PRC, and a subsidiary of Zijin Mining Group Co., Ltd. (an H share company listed on the Stock Exchange); and |
| “%”                          | per cent.  |

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, 8 September 2005

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. Lo Kao Cheng, Mr. Lo Wai Ming and Mr. Chung Kam Kwong.

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

\* *For identification only*

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