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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)



**HUA YI COPPER
HOLDINGS LIMITED**

華藝礦業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0559)

**MAJOR TRANSACTION
VERY SUBSTANTIAL DISPOSAL
AND
RESUMPTION OF TRADING**

**DISCLOSEABLE TRANSACTION
AND
RESUMPTION OF TRADING**

**PROPOSED ACQUISITION OF
YEADING ENTERPRISES LIMITED
INVOLVING
ISSUE OF NEW SHARES IN HUA YI COPPER HOLDINGS LIMITED
AND
CALL OPTION TO SUBSCRIBE FOR NEW SHARES IN
HUA YI COPPER HOLDINGS LIMITED
AND
LOAN AGREEMENT**

ACQUISITION

Solartech and Hua Yi Copper are pleased to announce that on 7 October 2007, Hua Yi Copper and the Vendor entered into the Share Purchase Agreement. Under the Share Purchase Agreement, Hua Yi Copper has agreed to acquire the entire issued share capital of the Target Company from the Vendor for the Consideration, comprising (i) a cash amount of Hong Kong Dollars equivalent of RMB55,000,000 payable by Hua Yi Copper at Completion subject to the Adjustment (if applicable); (ii) HK\$110,000,000 payable by the issuance of the Consideration Shares by Hua Yi Copper to the Vendor at Completion; and (iii) the grant by Hua Yi Copper to the Vendor of an option to subscribe for the Option Shares at the Exercise Price during the Option Period.

* for identification purposes only

NATURE OF THE ACQUISITION

The Acquisition constitutes a discloseable transaction for Hua Yi Copper under Chapter 14 of the Listing Rules. The proposed issuance of the Consideration Shares and the Option Shares is subject to the approval of the shareholders of Hua Yi Copper to grant a specific mandate in respect of such issuance. An application will be made by Hua Yi Copper to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares and Option Shares.

As at the date of this announcement, Solartech (through its interest in Skywalk) beneficially owns approximately 51.35% of the issued share capital of Hua Yi Copper. The beneficial interest of Solartech in the issued share capital of Hua Yi Copper will be reduced from approximately 51.35% to approximately 45.53% immediately upon Completion, and may further be reduced to approximately 43.09% upon the allotment of the Option Shares. As a result, Hua Yi Copper will cease to be a subsidiary of Solartech upon Completion. Accordingly, the Acquisition constitutes a major transaction and is deemed to be a very substantial disposal for Solartech under the Listing Rules, and the Acquisition will be subject to the approval of shareholders of Solartech.

LOAN AGREEMENT

On 7 October 2007, HYC, Meyton Investment and the Target Company entered into the Loan Agreement. Under the Loan Agreement, HYC agreed to lend to Meyton Investment HK\$30,000,000, which shall be applied by Meyton Investment for the sole purpose of its contribution to the registered capital of Qingdao Hua Xin as required under the constitutional documents of Qingdao Hua Xin.

GENERAL

A special general meeting of each of Solartech and Hua Yi Copper will be held to consider and approve, if thought fit, the transactions contemplated under the Share Purchase Agreement and the grant of the specific mandate for the allotment of the Consideration Shares and the Option Shares, respectively. A circular containing, among other things, further information on the Acquisition, a notice of the Solartech SGM and Hua Yi Copper SGM (as the case may be), and other information required under the Listing Rules will be despatched by each of Solartech and Hua Yi Copper to the shareholders of Solartech and Hua Yi Copper respectively in due course.

None of the shareholders of Solartech or Hua Yi Copper has a material interest in the transactions contemplated under the Share Purchase Agreement. Hence, none of the shareholders of Solartech or Hua Yi Copper is required to abstain from voting at the general meetings of Hua Yi Copper or Solartech.

DELAY IN DESPATCH OF THE CIRCULARS

Pursuant to Rule 14.38 of the Listing Rules, the circulars of Solartech and Hua Yi Copper are required to be despatched to their respective shareholders within 21 days after the publication of this announcement, i.e. on or before 5 November 2007. It is currently anticipated that it will take about three to four weeks for Hua Yi Copper to obtain a technical report in respect of the Target Group in compliance with the requirements under Chapter 18 of the Listing Rules for inclusion in the circulars of both Solartech and Hua Yi Copper, and about four to five weeks for Solartech to prepare an accountants' report on the Solartech Group and pro forma financial information for the Solartech Group required under Chapter 14 of the Listing Rules for inclusion in its circular. Accordingly, it is expected that the circulars will only be despatched to the shareholders of Solartech and Hua Yi Copper on or about 28 November 2007.

An application has been jointly made with the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of Solartech and Hua Yi Copper, trading in the shares of both companies on the Stock Exchange was suspended from 9:30 a.m. on 8 October 2007 pending the release of this announcement. Solartech and Hua Yi Copper have applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 16, October 2007.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

The Share Purchase Agreement is subject to a number of conditions set out in this announcement. Accordingly, the Acquisition may or may not proceed. Shareholders and investors are advised to exercise caution in dealing in the shares of each of Hua Yi Copper and Solartech.

INTRODUCTION

Solartech and Hua Yi Copper jointly announce that on 7 October 2007 Hua Yi Copper and the Vendor entered into the Share Purchase Agreement, pursuant to which Hua Yi Copper has agreed to acquire the entire issued share capital of the Target Company at Completion from the Vendor for the Consideration subject to various terms and conditions.

SHARE PURCHASE AGREEMENT

Date

7 October 2007

Parties

- (1) the Vendor; and
- (2) Hua Yi Copper, as purchaser.

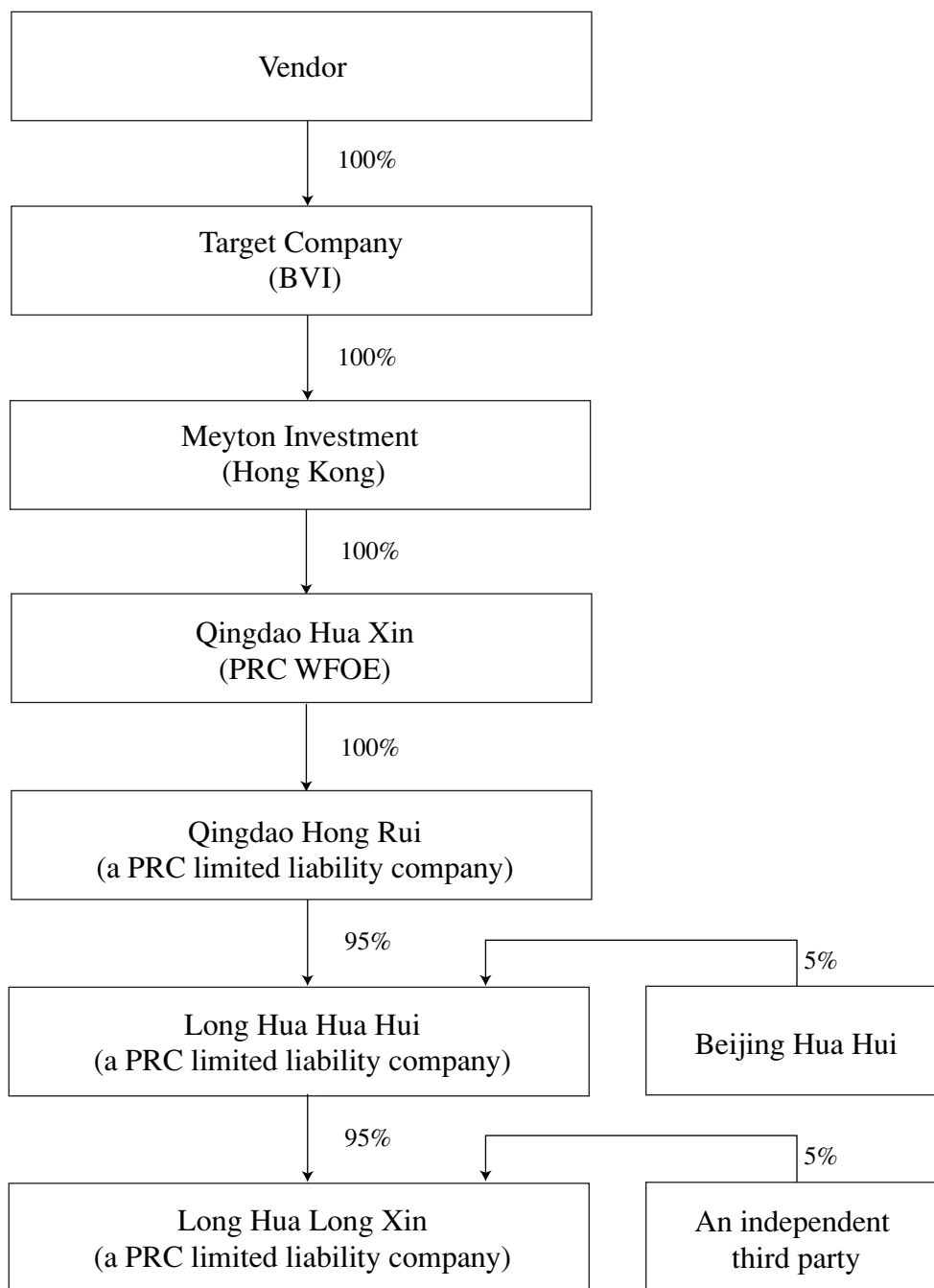
The Vendor is a company incorporated in the BVI and wholly-owned by Ms. Xie Zhimin (謝志敏). To the best of the knowledge, information and belief of the directors of each of Solartech and Hua Yi Copper, having made all reasonable enquiries, the Vendor and its beneficial owner are third parties who are independent of Solartech and Hua Yi Copper and their subsidiaries and connected persons of Solartech and Hua Yi Copper.

Subject Matter

At Completion, Hua Yi Copper will acquire the entire issued share capital in the Target Company held by the Vendor for the Consideration.

The Target Company is a holding company wholly-owned by the Vendor, which holds the entire issued share capital in Meyton Investment at the signing of the Share Purchase Agreement.

At Completion, the shareholding structure of the Target Group will be as set out below:



At the date of the execution of the Share Purchase Agreement, the due establishment and registration of Qingdao Hua Xin as a wholly-foreign-owned enterprise of Meyton Investment is subject to the contribution by Meyton Investment of registered capital of HK\$30,000,000 into Qingdao Hua Xin as required under its constitutional documents. The acquisition by Qingdao Hua Xin of the entire equity interest in Qingdao Hong Rui is also subject to the completion of the relevant equity transfer agreement pursuant to which such interest shall be transferred to Qingdao Hua Xin.

Consideration

The Consideration comprises:

- (1) a cash amount of Hong Kong Dollars equivalent of RMB55,000,000 payable by Hua Yi Copper at Completion, subject to the Adjustment;
- (2) HK\$110,000,000 payable by the issuance of Consideration Shares at HK\$1.10 per Consideration Share to the Vendor at Completion; and
- (3) the grant by Hua Yi Copper to the Vendor of an option to subscribe for the Option Shares at the Exercise Price during the Option Period pursuant to the Call Option Agreement to be entered into between Hua Yi Copper and the Vendor at Completion.

Hua Yi Copper and Solartech are in the process of determining the fair value of such call option for the purposes of classifying the Acquisition in respect of Hua Yi Copper and Solartech. Further announcement will be made when the value is known.

Lock up

The Vendor has agreed and undertaken not to reduce the number of the Consideration Shares held by it by more than 50% within six (6) months from its subscription of the same.

Adjustment to the Consideration

The cash amount of Hong Kong Dollars equivalent of RMB55,000,000 payable by Hua Yi Copper at Completion is subject to adjustment by reference to Completion Accounts to be prepared by Hua Yi Copper following Completion. Such cash amount of the Consideration shall be reduced on a dollar-for-dollar basis against any amount of liabilities shown in the Completion Accounts as at the date of Completion.

Basis of determination of the Consideration

The Consideration was determined after taking into consideration factors including the present market price of iron-ore concentrated powder at 65% grade and the estimated amount of the Mineral Resources of the Zhong Guan Town Mine. To the best knowledge of the directors of the Hua Yi Copper, the present market price of iron-ore concentrated powder at 65% grade is in the range of about RMB950 to RMB1,100 per tonne depending on factors such as the grade and chemical properties of the products and the demand and supply. According to the information provided by the Vendor, the Mineral Resources of the Zhong Guan Town Mine under the Mining Licence is estimated to be amounted to approximately 10,000,000 tonnes. Accordingly, the parties have agreed a value for the Zhong Guan Town Mine and its tangible mining iron-ore processing facilities to be not less than HK\$380,000,000. Hua Yi Copper has engaged a qualified mineral technical adviser to report on and verify the reserves of the Target Mines.

According to information provided by the Vendor, the estimated amount of Mineral Resources of the Gu Shan Mine is approximately 100,000,000 tonnes. However, given that the Mining Exploration Licence is in the process of being transferred from Mr. Zhao Guofu to Long Hua Hua Hui while Long Hua Hua Hui holds the Mining Exploration Licence pending completion of the transfer of the Mining Exploration Licence, the value of the Gu Shan Mine is therefore considered to be nil value in the determination of the consideration of the Acquisition.

The Consideration was reached after arm's length commercial negotiations between Hua Yi Copper and the Vendor. Based on the factors mentioned above, the directors of Solartech and Hua Yi Copper consider that the terms of the Acquisition and the Consideration to be on normal commercial terms and are fair and reasonable.

Details of the estimated amount of the Mineral Resources of the Target Mines are set out in the paragraph headed "Information on the Vendor and Members of the Target Group" below.

Conditions Precedent

Completion of the Acquisition is subject to the following conditions precedent:

1. Hua Yi Copper having completed due diligence on the legal, financial, taxation and environmental aspects of the business and assets of the members of the Target Group and the results, including the result of the technical report mentioned in paragraph 4 below, being satisfactory to Hua Yi Copper;
2. the Vendor having obtained all the approvals, consents, registration or filings of government and regulatory bodies required for the transfer of the Sale Shares (except the approval of the Listing Committee in relation to the listing of and dealing in the Consideration Shares);
3. during the period between the signing of the Share Purchase Agreement and the Completion Date, there is no material adverse change to the business and financial condition of the Target Group;
4. Hua Yi Copper having appointed a qualified mineral technical adviser to conduct technical investigations on the mining licences, exploration licences, iron-ore concentrated powder processing plants and the relevant mining and iron-ore concentrated powder production equipment held by Long Hua Long Xin and Mr. Zhao Guofu, and production of the relevant technical report stating that the Mineral Resources in the mining areas corresponding to the Mining Licence and the Mining Exploration Licence shall not be less than 110,000,000 tonnes;
5. Long Hua Hua Hui having obtained all the construction approval documents for the construction of the proposed iron-ore concentrated powder plant with an annual production capacity of 500,000 tonnes and has obtained the launching and filing documents on the annual production capacity of 500,000 tonnes of the iron-ore concentrate powder plant;
6. in respect of the Mining Exploration Licence,
 - (a) the legal and effective transfer of such licence to Long Hua Hua Hui being in progress by the execution of the relevant licence transfer agreement and payment of relevant consideration; and the expiry date of such Mining Exploration Licence having been extended to 2009; and

- (b) Mr. Zhao Guofu and Long Hua Hua Hui having entered into a cooperation agreement in respect of the Mining Exploration Licence, under which, among other things, Zhao Guofu grants to Long Hua Hua Hui the exploration rights under the Mining Exploration Licence, and Long Hua Hua Hui shall be responsible for exploration, development and management of the exploration rights, under the Mining Exploration Licence;
7. the Vendor having provided to Hua Yi Copper a PRC legal opinion issued by a qualified PRC law firm acceptable to Hua Yi Copper confirming the following, among other things:
 - (a) each member of the Target Group has been duly established and is validly existing and has completed its capital verification report (where applicable);
 - (b) the financial statements and tax returns of the members of the Target Group established in the PRC comply with the relevant PRC financial and tax regulations;
 - (c) each member of the Target Group has obtained all necessary business licences at the time of establishment and validly owns its assets, and the relevant licences are still valid;
 - (d) the operation and business of the members of the Target Group are lawful;
 - (e) members of the Target Group have obtained and completed all the necessary approvals, authorisations, consents, registration and filing formalities (if applicable) in relation to the reorganisation conducted;
 - (f) there is no major legal obstacle to complete the transfer mentioned in the paragraph 6(a) above and such transfer will be legal, valid and binding;
 - (g) the cooperation agreement mentioned in paragraph 6(b) is legal, valid and binding; and
 - (h) any other relevant PRC legal issues which Hua Yi Copper might reasonably consider to be applicable to the transactions contemplated under the Share Purchase Agreement;
 8. HYC, Meyton Investment and the Target Company having entered into the Loan Agreement;
 9. Hua Yi Copper having obtained the Audited Accounts;
 10. shareholders of each of Hua Yi Copper and Solartech having approved the Acquisition and the issuance of the Consideration Shares and the Option Shares (as the case may be) pursuant to the Listing Rules;
 11. Hua Yi Copper having obtained approval of the Listing Committee in relation to the listing and trading of the Consideration Shares and the Option Shares; and
 12. each of the representations and warranties under the Share Purchase Agreement being true and accurate on the date immediately before Completion.

Hua Yi Copper has the right to waive in writing the conditions 1, 2, 3, 4, 5, 6, 7, 9 and 12 mentioned above.

Completion

Completion shall take place on the fifth Business Day after the fulfillment (or waiver) of the conditions precedent 1 to 11 referred to under the paragraph headed “Conditions Precedent” above or such other date as the parties to the Share Purchase Agreement shall agree.

CONSIDERATION SHARES

The Issue Price of the Consideration Shares of HK\$1.10 per Consideration Share was determined after arm’s length negotiations between the parties with reference to the recent market price of the Hua Yi Copper Shares and the unaudited net asset value per Hua Yi Copper Share as at 31 December 2006 of HK\$0.65. The Issue Price represents:

- (i) a discount of approximately 6.36% to the closing price of HK\$1.17 per Hua Yi Copper Share as quoted on the Stock Exchange on 5 October 2007, being the last trading day prior to the suspension of trading in the Hua Yi Copper Shares pending the release of this announcement;
- (ii) a discount of approximately 1.82% to the average closing price of HK\$1.12 per Hua Yi Copper Share over the last 5 trading days up to and including 5 October 2007;
- (iii) a discount of approximately 3.64% over the average closing price of HK\$1.14 per Hua Yi Copper Share over the last 10 trading days up to and including 5 October 2007;
- (iv) a discount of approximately 0.9% over the average closing price of HK\$1.10 per Hua Yi Copper Share over the last 30 trading days up to and including 5 October 2007; and
- (v) a premium of approximately 40.91% over the unaudited net assets value of Hua Yi Copper of approximately HK\$0.65 per Hua Yi Copper Share as at 31 December 2006.

The Consideration Shares represent approximately 12.77% of the existing share capital of Hua Yi Copper and approximately 11.32% of the issued share capital of Hua Yi Copper as enlarged by the issue of the Consideration Shares. Based on the factors mentioned above, the directors of Hua Yi Copper and Solartech consider that the Issue Price is fair and reasonable. The Consideration Shares will be issued under a specific mandate proposed to be granted subject to the approval of the shareholders of Hua Yi Copper at the Hua Yi Copper SGM. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Set out below is the shareholding structure of Hua Yi Copper as at the date of signing of the Share Purchase Agreement and immediately after issue of the Consideration Shares (assuming there is no other change in the share capital of Hua Yi Copper from the date of signing of the Share Purchase Agreement to the Completion Date):

	As at the date of signing the Share Purchase Agreement (shares)	After issue of the Consideration Shares but before issue of Option Shares (shares)
Skywalk Assets Management Limited (<i>Note</i>)	402,131,875 (51.35%)	402,131,875 (45.53%)
Mr. Chau Lai Him	2,894,000 (0.37%)	2,894,000 (0.33%)
The Vendor	0	100,000,000 (11.32%)
Public	378,108,625 (48.28%)	378,108,625 (42.82%)
Total	<u>783,134,500</u>	<u>883,134,500</u>

Note: Skywalk is a wholly-owned subsidiary of Solartech which was deemed to be wholly and beneficially interested in the Hua Yi Copper Shares held by Skywalk by virtue of the Securities and Futures Ordinance.

CALL OPTION AGREEMENT

Upon Completion, Hua Yi Copper, as grantor, and the Vendor, as grantee, shall enter into the Call Option Agreement pursuant to which Hua Yi Copper shall grant the Vendor an option to subscribe up to 50,000,000 Hua Yi Copper Shares at HK\$1.10 per Option Share during a period of five years from the Business Day immediately following the date of signing of the Option Agreement.

The Exercise Price of the Option Shares of HK\$1.10 per Option Share was determined after arm's length negotiations between the parties based on the same determination factors of the Issue Price of the Consideration Shares as set out in the paragraph headed "Consideration Shares". Based on the factors mentioned above, the directors of Hua Yi Copper and Solartech consider that the Exercise Price is fair and reasonable.

The Option Shares represent approximately 6.38% of the existing share capital of Hua Yi Copper and approximately 5.66% of the issued share capital of Hua Yi Copper as enlarged by the issue of the Consideration Shares and the Option Shares. The Option Shares will be issued under a specific mandate proposed to be obtained at the Hua Yi Copper SGM. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Option Shares.

Set out below is the shareholding structure of Hua Yi Copper as at the date of signing of the Share Purchase Agreement, immediately after issue of the Consideration Shares and after the issue of the Option Shares (assuming there is no other change in the share capital of Hua Yi Copper from the date of signing of the Share Purchase Agreement):

	As at the date of signing the Share Purchase Agreement	After issue of the Consideration Shares but before issue of Option Shares	After issue of the Option Shares
Skywalk Assets Management Limited (<i>Note</i>)	402,131,875 (51.35%)	402,131,875 (45.53%)	402,131,875 (43.09%)
Mr. Chau Lai Him	2,894,000 (0.37%)	2,894,000 (0.33%)	2,894,000 (0.31%)
The Vendor	0	100,000,000 (11.32%)	150,000,000 (16.07%)
Public	378,108,625 (48.28%)	378,108,625 (42.82%)	378,108,625 (40.53%)
Total	<u>783,134,500</u>	<u>883,134,500</u>	<u>933,134,500</u>

Note: Skywalk is a wholly-owned subsidiary of Solartech which was deemed to be wholly and beneficially interested in the Hua Yi Copper Shares held by Skywalk by virtue of the Securities and Futures Ordinance.

LOAN AGREEMENT

On 7 October 2007, HYC, Meyton Investment and the Target Company entered into the Loan Agreement. Under the Loan Agreement, HYC shall lend to Meyton Investment HK\$30,000,000, which shall be applied by Meyton Investment for the sole purpose of its contribution to the registered capital of Qingdao Hua Xin as required under the constitutional documents of Qingdao Hua Xin.

Meyton Investment may draw down the Loan within five Business Days after HYC has received the following documents in the form and substance satisfactory to HYC including, among others:

1. evidence that a person designated by HYC is appointed as a joint signatory to the bank accounts of Meyton Investment and of Qingdao Hua Xin, on the basis that any withdrawal of funds from such accounts shall require the signature of such joint signatory;
2. the company seal of Qingdao Hua Xin, to be retained by HYC throughout the term of the Loan and until the Loan is fully repaid;
3. evidence that a person designated by HYC has been appointed and registered as the legal representative of Qingdao Hua Xin;

4. the Share Charge and documents required to be executed thereunder duly executed by the Target Company;
5. the original certificates in respect of all of the issued shares in the capital of Meyton Investment held by the Target Company;
6. the Share Purchase Agreement duly executed by Hua Yi Copper and the Vendor;

The Loan shall be repayable in full on the earlier of: (i) the Completion Date; (ii) the date on which the Share Purchase Agreement is terminated by either party for whatever reason; and (iii) 31 March 2008.

If upon Completion Hua Yi Copper shall elect, in accordance with the terms of the Share Purchase Agreement, to treat any outstanding amounts of the Loan and interest thereon as part payment of the purchase price payable by Hua Yi Copper to the Vendor under the Share Purchase Agreement, then HYC has agreed in the Loan Agreement that the amount of Loan and interest thereon due and repayable shall be reduced by such part payment amount, and the reduced amount shall be deemed to have been repaid by Meyton Investment under the Loan Agreement.

Meyton Investment shall pay interest at the rate of 1% above Prime Rate accrued on the Loan and any other amounts due but unpaid under the Loan Agreement to HYC from the date of drawdown to the date of full repayment.

SHARE CHARGE

Pursuant to the Loan Agreement, a share charge document was executed by the Target Company in favour of HYC.

Pursuant to the Share Charge, the Target Company, as security for the repayment of the Loan, has charged in favour of HYC by way of a first legal mortgage or first fixed charge:

1. all of the issued shares in Meyton Investment held by the Target Company; and
2. all related rights accruing to such shares.

The security constituted by the Share Charge shall become immediately enforceable upon the occurrence of an event of default including, among others:

1. if Meyton Investment uses any part of the Loan for any purpose other than the purpose of the contribution by Meyton Investment to the registered capital of Qingdao Hua Xin as required under the constitutional documents of Qingdao Hua Xin;
2. the legal representative of Qingdao Hua Xin designated by HYC is removed from his position as legal representative;
3. any expropriation, attachment, sequestration, distress or execution affects any asset or assets of Meyton Investment, the Target Company or Qingdao Hua Xin and, if that asset is considered by HYC not to be material in the context of the assets of Meyton Investment, the Target Company or Qingdao Hua Xin, such expropriation, attachment, sequestration, distress or execution is not discharged within 14 days;

4. Qingdao Hua Xin ceases to be a subsidiary of Meyton Investment without the prior written consent of HYC; or
5. Meyton Investment, the Target Company or Qingdao Hua Xin, without the prior written consent of HYC, ceases, or threatens to cease or to carry on all or a substantial part of its business.

INFORMATION ON SOLARTECH AND HUA YI COPPER

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 date of this announcement, Solartech through its wholly-owned subsidiary Skywalk, beneficially owned approximately 51.35% of the issued share capital of Hua Yi Copper.

Hua Yi Copper is principally engaged in the manufacture and trading of copper rods and other related products in the PRC and Hong Kong. Products manufactured and sold by Hua Yi Copper include copper rods of various diameters and copper wires with tinsel, enamel or tin coating. In addition, Hua Yi Copper is also engaged in the manufacture and trading of life-like plants and the production, distribution and licensing of television programmes. Hua Yi has no other outstanding options or warrants except options granted under its employee share option scheme.

INFORMATION ON THE VENDOR AND MEMBERS OF THE TARGET GROUP

The Vendor is a company incorporated in the BVI on 5 January 2007, holding the Target Company. The Target Company holds the entire issued share capital in Meyton Investment. Meyton Investment will, upon Completion, beneficially own 100% equity interest in Qingdao Hua Xin, and, indirectly own 100% equity interest in Qingdao Hong Rui, 95% equity interest in Long Hua Hua Hui and 95% equity interest in Long Hua Long Xin.

Based on representations of the Vendor to Hua Yi Copper, and so far as the directors of Hua Yi Copper and Solartech are aware, the Vendor, Target Company and Meyton Investment are investment holding companies and have not conducted any business since its date of incorporation and no accounts have been prepared since then.

Qingdao Hua Xin was incorporated to engage in providing services for crushing, separation and concentration of iron-ore rock. Based on representations of the Vendor, Qingdao Hua Xin has not conducted any business since its incorporation and no accounts have been prepared.

Qingdao Hong Rui principally engages in iron-ore concentrated powder processing. Based on the unaudited management accounts provided by the Vendor, the net assets value of Qingdao Hua Xin as at 31 December 2006 was approximately RMB998,420. It recorded a net loss (before and after taxation) of RMB1,580 for the year ended 31 December 2006.

Based on the information provided by the Vendor, Long Hua Long Xin is principally engaged in the business of mining, iron-ore processing, trading of iron-ore concentrated powder products and mining equipments. Long Hua Long Xin began production this year. Long Hua Long Xin has an iron-ore concentrated powder processing plant that estimated to have annual production capacity of 300,000 tonnes. It is also the holder of the Mining Licence. The iron-ore concentrated powder processing plant includes buildings and mining and processing, machinery and equipment, transportation facilities and electronic equipment. The Mining Licence indicates that the Zhong Guan Town Mine covers an aggregate

mine area of 0.4225 square kilometres. The preliminary estimation of the Mineral Resources is approximately 10,000,000 tonnes of iron-ore according to mineral resources reserve report (資源儲量核實報告) dated July 2004 as approved by Chengde Land & Resources Administration (承德市國土資源局). Based on the unaudited management accounts provided by the Vendor, the net assets value of Long Hua Long Xin as at 31 December 2006 was approximately RMB5,000,000. It recorded no profit or loss (before and after taxation) for the years ended 31 December 2005 and 31 December 2006.

Long Hua Hua Hui was incorporated to engage in iron-ore mining and processing, iron-ore concentrated powder production and trading of mining equipments. Based on representations of the Vendor to Hua Yi Copper, Long Hua Hua Hui has not commenced operation since its incorporation. Long Hua Hua Hui, pending completion of the transfer of the Mining Exploration Licence from Mr. Zhao Guofu, will have the right to operate, manage, develop, and invest the Mineral Resources of the Gu Shan Mine pursuant to an agreement entered into between Mr. Zhao Guofu and Long Hua Hua Hui on 25 November 2006. Pursuant to the agreement between Mr. Zhao Guofu and Long Hua Hua Hui, Long Hua Hua Hui is entitled to all the rights and benefits of the Gu Shan Mine. To the best knowledge, information and belief of the director of each of Solartech and Hua Yi Copper, having made all reasonable enquiries, Mr. Zhao Guofu is not a connected person of Hua Yi Copper or Solartech. The Mining Exploration Licence indicates that the Gu Shan Mine covers an aggregate mine area of 2.142 square kilometres. According to the preliminary geological report dated March 2007 prepared by Qinhuangdao Dong Hong Xiang Geological Survey Co., Ltd. (秦皇島董鴻翔地質勘察有限公司), the Mineral Resources of the Gu Shan Mine is estimated to be not less than 100,000,000 tonnes. According to information provided by the Vendor, Long Hua Hua Hui has obtained a construction site approval from relevant government authority for an iron-ore concentrated powder processing plant, which estimated will have an annual production capacity of 500,000 tonnes. Based on the unaudited management accounts provided by the Vendor, the net assets value of Long Hua Hua Hui as at 31 December 2006 was approximately RMB500,000. It recorded no profit or loss (before and after taxation) for the years ended 31 December 2005 and 31 December 2006.

REASONS FOR THE ACQUISITION

As disclosed in the announcement dated 18 July 2007, Hua Yi Copper changed its Chinese name to reflect the Hua Yi Copper Group's business strategy on the metals and minerals sector. Hua Yi Copper will continue its existing business after the Completion.

The directors of Solartech and Hua Yi Copper consider the Acquisition represents an opportunity for the Hua Yi Copper Group to diversify into the mineral resources business. In view of the increase in demand for natural resources in the world and the increase in the prices of mineral resources over during the year, the directors of Hua Yi Copper are optimistic about the future prospects and demand for natural resources. The strong growth momentum of the PRC economy and the continuous development of the cities, motor vehicle industry, infrastructure and real estate sectors, demand for iron and related products will continue to grow robustly.

The purpose of the Acquisition is to explore the opportunities and derive income from the sales of Mineral Resources to be extracted from the Target Mines. Given that Zhong Guan Town Mine is currently operating an iron-ore concentrated powder processing facility with an estimated annual processing capacity of 300,000 tonnes, it is expected that the Target Group will generate cash flow and revenue immediately in the near future.

The directors of Solartech and Hua Yi Copper consider the terms of the Share Purchase Agreement to be fair and reasonable and in the interest of Solartech and Hua Yi Copper and the Solartech and Hua Yi Copper Shareholders as a whole.

EFFECT ON SOLARTECH

The beneficial interest of Solartech (through its interest in Skywalk) in the issued share capital of Hua Yi Copper will be reduced from approximately 51.35% to approximately 45.53% immediately after the allotment and issuance of the Consideration Shares upon Completion. Following Completion, Hua Yi Copper will cease to be a subsidiary of Solartech.

Upon completion, equity accounting treatment will be applied by Solartech in Hua Yi Copper.

As at year ended 30 June 2005, the net profit before taxation and extraordinary items and the net profit after taxation and extraordinary items of Hua Yi Copper were HK\$28,768,000 and HK\$20,443,000. As at year ended 30 June 2006 (being the date up to which the latest published audited consolidated accounts of Hua Yi Copper were made), the net profit before taxation and extraordinary items and the net profit after taxation and extraordinary items of Hua Yi Copper were HK\$109,489,000 and HK\$90,304,000. Net profits attributable to the deemed very substantial disposal by Solartech (through its interest in Skywalk) of 5.82% shareholding in Hua Yi Copper for the two financial years ended 30 June 2006 were:

- (a) approximately HK\$1,674,000 (before taxation and extraordinary items) or approximately HK\$1,190,000 (after taxation and extraordinary items) for the financial year ended 30 June 2005; and
- (b) approximately HK\$6,372,000 (before taxation and extraordinary items) or approximately HK\$5,256,000 (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 Copper were made), the consolidated net asset value of Hua Yi Copper was HK\$508,199,000. As at 31 December 2006, the carrying value of the 5.82% shareholding in Hua Yi Copper deemed to have been disposed of by Solartech (through its interest in Skywalk) was approximately HK\$29,577,000 (calculated on the basis of 5.82% of the consolidated net asset value of Hua Yi Copper as at 31 December 2006). As at 31 December 2006, the carrying value of the 51.35% shareholding in Hua Yi Copper was HK\$312,964,000. Upon completion, it is estimated that the consolidated net assets value of Hua Yi Copper will be approximately HK\$719,473,000, and the carrying value of the 45.53% shareholding in Hua Yi Copper will be HK\$327,576,000. Accordingly, this will give rise to an estimated gain of approximately HK\$14,612,000 for Solartech (through its interest in Skywalk).

The market value of the 5.82% shareholding in Hua Yi Copper deemed to have been disposed of by Solartech (through its interest Skywalk) is approximately HK\$53,327,000 (calculated on the basis of the closing price of HK\$1.17 per Hua Yi Copper Share as quoted on the Stock Exchange on 5 October 2007, being the last trading day of Hua Yi Copper Share immediately before the date of this announcement).

LISTING RULES REQUIREMENTS

The Acquisition constitutes a discloseable transaction for Hua Yi Copper under Chapter 14 of the Listing Rules. The proposed issue of the Consideration Shares and the Option Shares are subject to the approval of the Shareholders of Hua Yi Copper to grant the specific mandate in respect of such issuance. An application will be made by Hua Yi Copper to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares and Option Shares.

As at the date of this announcement, Solartech indirectly and beneficially owns approximately 51.35% of the issued share capital of Hua Yi Copper. The beneficial interest of Solartech in the issued share capital of Hua Yi Copper will be reduced from approximately 51.35% to approximately 45.53% immediately upon completion of the Acquisition, and may further be reduced to approximately 43.09% upon the allotment of the Option Shares. As a result, Hua Yi Copper will cease to be a subsidiary of Solartech upon Completion of the Acquisition. Accordingly, the Acquisition constitutes a major transaction and is deemed to be a very substantial disposal for Solartech under Chapter 14 of the Listing Rules, and the Acquisition is required to be made subject to approval by shareholders of Solartech in general meeting.

GENERAL

A special general meeting of each of Solartech and Hua Yi Copper will be held to consider and approve, if thought fit, the transactions contemplated under the Share Purchase Agreement and the allotment of the Consideration Shares and the Option Shares, respectively. A circular containing, among other things, further information on the Acquisition, a notice of Solartech SGM and Hua Yi Copper SGM (as the case may be), and other information required under the Listing Rules will be despatched by each of Solartech and Hua Yi Copper to shareholders of Solartech and Hua Yi Copper respectively in due course.

None of the shareholders of Hua Yi Copper or Solartech has a material interest in the transactions contemplated under the Share Purchase Agreement. Hence, none of the shareholders of Hua Yi Copper or Solartech is required to abstain from voting at the general meetings of Hua Yi Copper or Solartech.

DELAY IN DESPATCH OF THE CIRCULARS

Pursuant to Rule 14.38 of the Listing Rules, the circulars of Solartech and Hua Yi Copper are required to be despatched to their respective shareholders within 21 days after the publication of this announcement, i.e. on or before 5 November 2007. It is currently anticipated that it will take about three to four weeks for Solartech and Hua Yi Copper to obtain a technical report in respect of the Target Group in compliance with the requirements under Chapter 18 of the Listing Rules for the inclusion in the circulars of both Solartech and Hua Yi Copper, and about four to five weeks for Solartech to prepare an accountants' report on the Solartech Group and pro forma financial information for the Solartech Group required under Chapter 14 of the Listing Rules for inclusion in its circular. Accordingly, it is expected that the circulars will only be despatched to the shareholders of Solartech and Hua Yi Copper on or about 28 November 2007.

An application has been jointly made with the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of Solartech and Hua Yi Copper, trading the shares of both on the Stock Exchange was suspended from 9:30 a.m. on 8 October 2007 pending the release of this announcement. Solartech and Hua Yi Copper have applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 16, October 2007.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

The Share Purchase Agreement is subject to a number of conditions set out in this announcement. Accordingly, the Acquisition may or may not proceed. Shareholders and investors are advised to exercise caution in dealing in the shares of each of Hua Yi Copper and Solartech.

DEFINITIONS

In this announcement, the expressions below have the meanings assigned:

“Accounts Date”	30 September 2007
“Acquisition”	acquisition of the entire issued share capital in the Target Company by Hua Yi Copper from the Vendor pursuant to the Share Purchase Agreement
“Adjustment”	adjustment to the Consideration under the Share Purchase Agreement, particulars of which are set out in the paragraph headed “Adjustment to the Consideration” above
“Audited Accounts”	the audited consolidated balance sheet of the Target Group and the audited consolidated profit and loss accounts of the Target Group for the previous two years ended on the Accounts Date, assuming that RMB30,000,000, being the registered capital of Qingdao Hua Xin, has been paid up and the entire equity interest in Qingdao Hong Rui has been legally and effectively transferred to and is held by Qingdao Hua Xin
“Beijing Hua Hui”	北京華匯國際礦業投資開發有限公司 (Beijing Hua Hui International Mining Investment and Development Limited Company*), a company incorporated in the PRC on 23 May 2001
“Business Day”	any day (excluding Saturdays) on which banks generally are open for business in Hong Kong
“BVI”	the British Virgin Islands
“Call Option Agreement”	a call option agreement to be entered into at Completion between Hua Yi Copper and the Vendor in relation to the grant of an option by Hua Yi Copper to the Vendor to subscribe for the Option Shares
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Accounts”	audited accounts to be prepared by accountants appointed by Hua Yi Copper up to the Completion Date in respect of the members of the Target Group
“Completion Date”	the date on which Completion takes place

“Consideration”	the consideration payable by Hua Yi Copper to the Vendor under the Share Purchase Agreement, the particulars of which are set out in the paragraph headed “Consideration” above
“Consideration Shares”	100,000,000 Hua Yi Copper Shares to be allotted and issued to the Vendor at the Issue Price for the partial settlement of the Consideration pursuant to the terms of the Share Purchase Agreement
“Exercise Price”	HK\$1.10 per Option Share
“Gu Shan Mine”	the iron-ore mine located in Gu Shan Village, Long Hua County, Chengde City, He Bei Province, the PRC, subject to the Mining Exploration Licence
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong
“Hua Yi Copper”	Hua Yi Copper Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
“Hua Yi Copper Group”	Hua Yi Copper and its subsidiaries
“Hua Yi Copper SGM”	a special general meeting of Hua Yi Copper to be convened for the purpose of considering, and if thought fit, approving, among other things, the grant of a specific mandate to issue the Consideration Shares and the Option Shares, by the shareholders of Hua Yi Copper
“Hua Yi Copper Shares”	shares of nominal value of HK\$0.20 each in the capital of Hua Yi Copper
“HYC”	HYC Finance Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Hua Yi Copper
“Issue Price”	HK\$1.10 per Share, being the issue price of the Consideration Shares
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	an amount of HK\$30,000,000 to be lent by HYC to Meyton Investment pursuant to the Loan Agreement
“Loan Agreement”	a loan agreement entered into between HYC, Meyton Investment and the Target Company on 7 October 2007 in respect of the Loan

“Long Hua Hua Hui”	隆化華匯鑫福礦業有限公司 (Long Hua Hua Hui Xin Fu Mining Industry Limited Company*), a company incorporated in the PRC on 30 August 2005
“Long Hua Long Xin”	承德劍峰礦業集團隆化隆鑫礦業有限公司 (Chengde Jianfeng Mining Industry Group Long Hua Long Xin Mining Industry Limited Company*), a company incorporated in the PRC on 3 March 2004, with registered capital of RMB5 million
“Meyton Investment”	Meyton Investment Limited, a company incorporated in Hong Kong on 8 August 2007, and wholly-owned by the Target Company
“Mineral Resources”	mineral resources containing iron-ore, comprising other chemicals, including titanium and vanadium in the Gu Shan Mine and/or Zhong Guan Town Mine (as the case may be)
“Mining Exploration Licence”	The mining exploration licence currently held by Mr. Zhao Guofu in respect of Gu Shan Mine (No. 1300000510386)
“Mining Licence”	the mining licence held by Long Hua Long Xin in respect of Zhong Guan Town Mine (No. 1308000520160)
“Mr. Zhao Guofu”	Zhao Guofu, a PRC resident, being the registered holder of the Mining Exploration Licence
“Ms. Xie Zhimin”	Xie Zhimin, a PRC resident, being the sole beneficial owner of the Vendor
“Option Period”	a period of five years from the Business Day immediately following the date of the Option Agreement
“Option Shares”	up to 50,000,000 Hua Yi Copper Shares to be allotted and issued to the Vendor by Hua Yi Copper pursuant to the Call Option Agreement
“PRC”	the People’s Republic of China
“PRC WFOE”	a wholly-foreign-owned enterprise established in the PRC
“Prime Rate”	the best lending rate for HK\$ quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time
“Qingdao Hong Rui”	青島鴻瑞礦業有限公司 (Qingdao Hong Rui Mining Industry Co., Ltd.*), a company incorporated in the PRC on 16 January 2006 and wholly-owned by Qingdao Hua Xin
“Qingdao Hua Xin”	青島華鑫礦業有限公司 (Qingdao Hua Xin Mining Industry Limited Company*), a company incorporated in the PRC on 18 September 2007 and wholly owned by Meyton Investment

“Sale Shares”	shares representing the entire issued share capital of the Target Company to be acquired by Hua Yi Copper from the Vendor under the Share Purchase Agreement
“Share Charge”	a share charge document executed by the Target Company in favour of HYC pursuant to the Loan Agreement
“Share Purchase Agreement”	the conditional share purchase agreement date 7 October 2007 entered between Hua Yi Copper and the Vendor in relation to the Acquisition
“Skywalk”	Skywalk Assets Management Limited, a company incorporated in the BVI, a controlling shareholder of Hua Yi Copper and a wholly-owned subsidiary of Solartech
“Solartech”	Solartech International Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
“Solartech Group”	Solartech and its subsidiaries
“Solartech SGM”	a special general meeting of Solartech to be convened for the purpose of considering, and if thought fit, approving the Share Purchase Agreement and the transactions contemplated thereunder, by the shareholders of Solartech
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Yeading Enterprises Limited, a limited liability company incorporated in the BVI, which is currently 100% owned by the Vendor
“Target Group”	the Target Company and its subsidiaries and proposed subsidiaries as at the date of Completion, comprising Meyton Investment, Qingdao Hua Xin, Qingdao Hong Rui, Long Hua Hua Hui and Long Hua Long Xin
“Target Mines”	the Gu Shan Mine and the Zhong Guan Town Mine
“Vendor”	Belleview Global Limited, a limited liability company incorporated in the BVI, which is 100% owned by Ms. Xie Zhimin (謝志敏)
“Zhong Guan Town Mine”	the iron mine located in Bei Bao Zi Village, Zhong Guan Town, Long Hua County, Chengde City, He Bei Province, the PRC, subject to the Mining Licence

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, 15 October 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, Mr. Chow Kin Ming and Mr. Chan Kwan Hung 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 Copper comprises of Mr. Chau Lai Him, Mr. Chu Yuk Kuen, Mr. Chan Sio Keong and Mr. Chan Kwan Hung 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.