

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this Announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcement.



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)

ANNOUNCEMENT AND RESUMPTION OF TRADING

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

Reference is made to the announcement made by the Company on 15 January 2007 in relation to a possible investment by the Company in the business of manufacturing and sales of automotive harness products.

The Directors are pleased to announce that, on 16 February 2007, the Company and 北京福斯汽車電線有限公司 (Beijing Force Automotive Wire Co. Ltd.) entered into a memorandum of understanding, pursuant to which the parties have agreed conditionally to the establishment of a joint venture company in the People's Republic of China to engage in the manufacturing and sales of automotive harness and cables. The formation of the joint venture company is subject to various conditions and the entering into of definitive legally binding documentation. However, the memorandum of understanding constitutes the legally binding obligation on the parties not to negotiate with other third parties in relation to the establishment of any business entity (or other arrangement) which is engaged in a business which is identical or similar to the business of the joint venture company within a period of five months from the date of the memorandum of understanding. The terms set out in the memorandum of understanding are not definitive and are subject to further negotiations between the parties.

The investment may or may not proceed. Investors are reminded to exercise caution when dealing in the Company's shares. Further announcement containing details of the proposed joint venture will be made in accordance with the Listing Rules if and when the Company proceeds with the establishment of the proposed joint venture.

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on 16 February 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in its shares with effect from 9:30 a.m. on Thursday, 22 February 2007.

This announcement is made pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Reference is made to the announcement made by the Company on 15 January 2007 in relation to a possible investment by the Company in the business of manufacturing and sales of automotive harness products.

The directors (the "**Directors**") of Solartech International Holdings Limited (the "**Company**") are pleased to announce that, on 16 February 2007, the Company and 北京福斯汽車電線有限公司 (Beijing Force Automotive Wire Co. Ltd.) ("**Beijing Force**") entered into a memorandum of understanding (the "**MOU**") pursuant to which the parties have agreed conditionally to the establishment of a joint venture company in the People's Republic of China to engage in the manufacturing and sales of automotive harness and cables.

MATERIAL TERMS OF THE MOU

Under the terms of the MOU, the Company and Beijing Force have agreed, subject to the conditions mentioned below and the entering into of definitive legally binding documentation, to establish a sino-foreign equity joint venture (the "**Joint Venture Company**") with the business scope of processing, manufacturing and sales of automotive cables and harness products. It is envisaged that the Joint Venture Company will have a total investment of RMB50,000,000 to RMB100,000,000 and a registered capital of RMB25,000,000 to RMB50,000,000. The term of the Joint Venture Company will be for twenty years. The terms in respect of the percentages of equity interest of the Company and Beijing Force in the Joint Venture Company and the nature of the assets to be contributed by each party into the Joint Venture Company have not been finalized and are subject to further negotiations between the parties.

Under the terms of the MOU, both the Company and Beijing Force will be responsible for obtaining all necessary approvals, consents, registrations and filings from relevant government departments and regulatory authorities for the Joint Venture Company. In addition, Beijing Force will be responsible for the following:

1. management of the sales operations of the Joint Venture Company and providing the management and sales personnel to the Joint Venture Company;
2. assisting the Joint Venture Company to obtain all necessary approvals and registrations for the manufacturing, sales and other operations; and
3. providing the necessary technical know-how to the Joint Venture Company and to execute provision of technical services agreement with the Joint Venture Company on terms that are mutually agreed by the Company and Beijing Force.

Beijing Force will also enter into trademark licence agreement(s) with the Joint Venture Company pursuant to which the Joint Venture Company will be entitled to use the trademarks of Beijing Force.

* For identification purposes only

The establishment of the Joint Venture Company is conditional on the following being fulfilled on or before 30 June 2007:

1. the Company completing its legal and financial due diligence review on the non-monetary contribution to the Joint Venture Company to be made by Beijing Force (if necessary) and the results of that review being satisfactory to the Company;
2. all necessary approvals, consents, registrations and filings having been obtained by the Joint Venture Company from relevant government departments and regulatory authorities;
3. Beijing Force having executed technical services agreement(s) with the Joint Venture Company to provide technical know-how services to the Joint Venture Company on terms that are mutually agreed by the Company and Beijing Force;
4. Beijing Force having entered into trademark licence agreement(s) with the Joint Venture Company on terms that are mutually agreed by the Company and Beijing Force; and
5. such other conditions as may be agreed by the Company and Beijing Force.

The terms set out in the MOU are not definitive and are subject to further negotiations between the parties.

EXCLUSIVITY

Under the terms of the MOU, each party may not without the written consent from the other party, negotiate with any other third parties in relation to establishment of any business entity (or other arrangement) which is engaged in a business which is identical or similar to the business of the Joint Venture Company, within a period of five months from the date of the MOU.

The formation of the Joint Venture Company is subject to the conditions stated in the above and the entering into of the definitive legally binding documentation. However, the exclusivity provisions as referred to in the paragraph "Exclusivity" and the confidentiality provisions under the MOU constitute the legally binding obligation of the parties.

The Company is expected to proceed with conducting further due diligence on the Beijing Force and negotiate terms of the proposed joint venture. The Company and Beijing Force envisage to reach a decision as to whether to proceed with the establishment of the proposed joint venture before 30 June 2007.

FURTHER INFORMATION ON BEIJING FORCE

Beijing Force is incorporated in the People's Republic of China and it is engaged in the supply of auto wires to customers in the People's Republic of China which include some of the leading automobile manufacturers in the world. The Directors have confirmed that, to the best of their knowledge, information and belief having made all reasonable enquiry, Beijing Force and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The investment may or may not proceed. Investors are reminded to exercise caution when dealing in the Company's shares. Further announcement containing details of the joint venture will be made in accordance with all applicable requirements of the Listing Rules if and when the Company proceeds with the establishment of the proposed joint venture.

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on 16 February 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in its shares with effect from 9:30 a.m. on Thursday, 22 February 2007.

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

Hong Kong, 21 February 2007

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

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