

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



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 AND
RESUMPTION OF TRADING**

RESUMPTION OF TRADING

**FRAMEWORK AGREEMENT
INVOLVING
OPTION TO SUBSCRIBE FOR NEW SHARES IN
HUA YI COPPER HOLDINGS LIMITED**

FRAMEWORK AGREEMENT AND OPTION

Solartech and Hua Yi Copper are pleased to announce that on 21 February 2008, Hua Yi Copper and the Counter Parties entered into the Framework Agreement with the Counter Parties, pursuant to which, Hua Yi Copper and the Counter Parties agree to co-operate in metals and minerals exploration and mining particularly iron ore in the PRC and other jurisdictions; and Hua Yi Copper agrees to grant to the Counter Parties the First Right of Refusal and, subject to fulfillment of the Conditions, to grant to the Counter Parties jointly the Option to subscribe for the Option Shares at the Exercise Price during the Option Period.

NATURE OF THE TRANSACTION

The issue of the Option Shares will be subject to the approval of the shareholders of Hua Yi Copper. An application will be made by Hua Yi Copper to the Listing Committee for the listing of, and permission to deal in Option Shares.

* *for identification purposes only*

As at the date of this announcement, Solartech (through its interest in Skywalk) beneficially owns approximately 51.21% 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 51.21% to approximately 45.17% immediately upon allotment of the Option Shares in full. As a result, Hua Yi Copper will cease to be a subsidiary of Solartech. Accordingly, the grant of Option is a deemed disposal for Solartech under the Listing Rules and a major transaction for Solartech under the Listing Rules by virtue of the relevant Percentage Ratio exceeding 25%, and will be subject to the approval of shareholders of Solartech.

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 Framework Agreement (including the allotment of the Option Shares) and the allotment of the Option Shares respectively. A circular containing, among other things, further information on the Framework Agreement, 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.

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

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 22 February 2008 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 27 February 2008.

The grant of the Option is subject to the approval of the shareholders of Solartech and the shareholders of Hua Yi Copper. Accordingly, the Co-operation 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.

FRAMEWORK AGREEMENT

Date

21 February 2008

Parties

- (1) Hua Yi Copper;
- (2) China Alliance; and
- (3) Shougang Holdings.

(China Alliance and Shougang Holdings together as the “**Counter Parties**”)

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, each of the Counter Parties and their beneficial owners are third parties who are independent of Solartech and Hua Yi Copper and their subsidiaries and connected persons of Solartech and Hua Yi Copper.

Co-operation in Metals and Minerals Exploration And Mining Particularly Iron Ore

Pursuant to the Framework Agreement, Hua Yi Copper and the Counter Parties agree to co-operate in metals and minerals exploration and mining particularly iron ore in the PRC and other jurisdictions.

Hua Yi Copper shall be responsible for selection, exploration, development and investment of the mining projects and the Counter Parties shall be responsible for providing technical support, including sending out geologists, mining experts and engineers, and processing experts and engineers to study the mining sites, ore grades and properties, processing flow and technology and plants; to assess and to evaluate the mining projects and investment. The Counter Parties may on a case by case basis, co-operate with Hua Yi Copper to explore and to develop the mines.

First Right of Refusal

In consideration of the service to be performed by the Counter Parties pursuant to the Framework Agreement, the Counter Parties shall have a first right of refusal (“**First Right of Refusal**”) in (a) co-operating and investing in the mining projects chosen by Hua Yi Copper and (b) purchasing any iron ore and iron ore powder generated from such mining projects at favorable market price.

Option

In order to foster long term co-operation, Hua Yi Copper shall, subject to fulfilment of the Conditions set out below, grant to the Counter Parties jointly an option (the “**Option**”) to subscribe for 105,000,000 Hua Yi Copper Shares (“**Option Shares**”), representing 13.37% of the existing issued share capital of Hua Yi Copper at an exercise price of HK\$0.614 (“**Exercise Price**”), which is equivalent to the average trading price of the Hua Yi Copper Share for the 10 consecutive trading days prior to the date of the Framework Agreement. The Counter Parties can exercise the Option in parts or in whole at any time within 5 years from the date of grant of the Option (“**Option Period**”). Any part of the Option not exercised during the Option Period shall lapse and be null and void.

Exercise Price

The Exercise Price of HK\$0.614 per Option 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 audited net asset value per Hua Yi Copper Share as at 30 June 2007 of HK\$0.71. The Exercise Price represents:

- (i) a discount of approximately 6.97% to the closing price of HK\$0.66 per Hua Yi Copper Share as quoted on the Stock Exchange on 21 February 2008, being date of the Framework Agreement and 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 4.06% to the average closing price of HK\$0.64 per Hua Yi Copper Share over the last 5 trading days up to and including 21 February 2008;
- (iii) a discount of approximately 0.97% over the average closing price of HK\$0.62 per Hua Yi Copper Share over the last 10 trading days up to and including 21 February 2008;
- (iv) a discount of approximately 6.97% over the average closing price of HK\$0.66 per Hua Yi Copper Share over the last 30 trading days up to and including 21 February 2008; and
- (v) a discount of approximately 13.52% over the audited net assets value of Hua Yi Copper of approximately HK\$0.71 per Hua Yi Copper Share as at 30 June 2007.

The Exercise Price was reached after arm's length commercial negotiations between Hua Yi Copper and the Counter Parties. Based on the factors mentioned above, the directors of Solartech and Hua Yi Copper consider that the terms of the Framework Agreement (including the grant of the Option) to be on normal commercial terms and are fair and reasonable.

Conditions Precedent

The grant of the Option is subject to the following conditions precedent (“**Conditions**”):

1. shareholders of each of Hua Yi Copper and Solartech having approved the Framework Agreement (including the grant of the Option and the issuance of the Option Shares (as the case may be)) in compliance with the Listing Rules;
2. Hua Yi Copper having obtained approval of the Listing Committee in relation to the listing and trading of the Option Shares; and

Neither Hua Yi Copper nor the Counter Parties have the right to waive any of the conditions mentioned above.

Option Shares

The Option Shares represent approximately 13.37% of the existing share capital of Hua Yi Copper and approximately 11.8% of the issued share capital of Hua Yi Copper as enlarged by the issue of the Option Shares and approximately 10.09% of the issued share capital of Hua Yi Copper as enlarged by issue the Consideration Shares, the Vendor Option Shares and the Option Shares. As such, Hua Yi Copper will cease to be a subsidiary of Solartech immediately upon issue of 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.

The Option Shares upon issue will not be subject to any lock up restriction.

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

	As at the date of signing the Framework Agreement		Immediately upon issue of the Option Shares (but before issue of Consideration Shares and Vendor Option Shares) (Note 3)		After issue of the Consideration Shares and Vendor Option Shares	
	<i>Hua Yi Copper</i> Shares	(%)	<i>Hua Yi Copper</i> Shares	(%)	<i>Hua Yi Copper</i> Shares	(%)
Skywalk Assets Management Limited (Note 1)	402,131,875	51.21%	402,131,875	45.17%	402,131,875	38.66%
Mr. Chau Lai Him	2,894,000	0.37%	2,894,000	0.32%	2,894,000	0.28%
the Counter Parties	0	0	105,000,000	11.80%	105,000,000	10.09%
the Vendor (Note 2)	0	0	0	0	150,000,000	14.42%
Other Public	380,280,625	48.42%	380,280,625	42.71%	380,280,625	36.55%
Total	785,306,500	100%	890,306,500	100%	1,040,306,500	100%

Note:

1. 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.
2. The Vendor is Belleview Global Limited, a limited liability company incorporated in the BVI, which is 100% owned by Ms. Xie Zhimin.
3. On 7 October 2007, Hua Yi Copper and the Vendor entered into a conditional share purchase agreement, pursuant to which Hua Yi Copper has agreed to acquire the entire issued share capital of Yeading Enterprises Limited for a consideration comprising partly of the issue of the Consideration Shares (i.e. 100,000,000 Hua Yi Copper Shares) and the grant of an option by Hua Yi Copper to the Vendor to subscribe for the Vendor Option Shares (i.e. 50,000,000 Hua Yi Copper Shares). For details of the transaction, please see the circular of Solartech dated 31 December 2007. The Consideration Shares and the Vendor Option Shares have yet to be issued.

The Option Shares together with other new Shares issuable by Hua Yi Copper under other equity securities carrying conversion/subscription rights (including but not limited to the Vendor Option) do not exceed 20% of Hua Yi's issued share capital at the date of the Framework Agreement.

Termination

Prior to performance of the Framework Agreement, either the Company or the Counter Parties is/are entitled to terminate the Framework Agreement by giving 30 days' prior written notice.

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 51.21% 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 Copper has no other outstanding options or warrants except options granted under its employee share option scheme and the Vendor Option.

INFORMATION ON THE COUNTER PARTIES

China Alliance is a limited liability company incorporated in Hong Kong on 6 June 2007, and is a strategic business and technical partner of Shougang Holdings in mining. China Alliance principally engages in mining and related business including mine assessment and selection; exploration planning and programming; mine planning, design and construction; mine equipment and technology selection; ore processing plant design and construction; sales and purchases of mines and mining products; investment and development of mining projects inside and outside PRC.

Shougang Holdings is a limited liability company incorporated in PRC on 24 November 2004 with a paid up capital of RMB1,047 million, and is a member company of Shougang Group. Shougang Holdings principally engages in investment management and consultancy, asset management, and investment holdings particularly in respect of resources and financial assets.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

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 Co-operation represents an opportunity for the Hua Yi Copper Group to establish a strategic relationship with one of the key finance and resources companies in PRC, who together with its strategic technical partner will be able to provide strong technical and possible economic support to Hua Yi Copper in developing its business in the mining industry. In view of the increase in demand for natural resources in the world and the increase in the prices of mineral resources 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 entering into the Framework Agreement and the Co-operation is to realize and to foster the strategic relationship with Shougang Holdings and its technical partner.

The directors of Solartech and Hua Yi Copper consider the terms of the Framework Agreement (including the grant of the Option) 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

As at the date of this announcement, Solartech (through its interest in Skywalk) beneficially owns approximately 51.21% 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 51.21% to approximately 45.17% immediately upon allotment of the Option Shares and accordingly Hua Yi Copper will cease to be a subsidiary of Solartech upon such allotment. Accordingly, the Framework Agreement (including the grant of the Option) is deemed to be a major transaction for Solartech under the Listing Rules, and will be subject to the approval of shareholders of Solartech.

Upon allotment and issue of the Option Shares, equity accounting treatment will be applied by Solartech in Hua Yi Copper.

As at year ended 30 June 2006, 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. As at year ended 30 June 2007 (being the date up to which the latest published audited consolidated accounts of Hua Yi Copper were made), the net loss before taxation and extraordinary items and the net loss after taxation and extraordinary items of Hua Yi Copper were HK\$14,806,000 and HK\$14,154,000. Net profits/(loss) attributable to the deemed major disposal by Solartech (through its interest in Skywalk) of 6.04% shareholding in Hua Yi Copper for the two financial years ended 30 June 2007 were:

- (a) a net profit of approximately HK\$6,613,000 (before taxation and extraordinary items) or approximately HK\$5,454,000 (after taxation and extraordinary items) for the financial year ended 30 June 2006; and
- (b) a net loss of approximately HK\$(894,000) (before taxation and extraordinary items) or approximately HK\$(855,000) (after taxation and extraordinary items) for the financial year ended 30 June 2007.

As at 30 June 2007 (being the date up to which the latest published financial report of Hua Yi Copper were made), the consolidated net asset value of Hua Yi Copper was HK\$481,055,000. As at 30 June 2007, the carrying value of the 6.04% shareholding in Hua Yi Copper deemed to have been disposed of by Solartech (through its interest in Skywalk) was approximately HK\$29,056,000 (calculated on the basis of 6.04% of the consolidated net asset value of Hua Yi Copper as at 30 June 2007). As at 30 June 2007, the carrying value of the 51.21% shareholding in Hua Yi Copper was HK\$301,655,000. Upon allotment of the Option Shares, it is estimated that the consolidated net assets value of Hua Yi Copper will be approximately HK\$653,325,000, and the carrying value of the 45.17% shareholding in Hua Yi Copper will be HK\$295,107,000. Accordingly, this will give rise to an estimated loss of approximately HK\$6,458,000 for Solartech (through its interest in Skywalk).

The market value of the 6.04% shareholding in Hua Yi Copper deemed to have been disposed of by Solartech (through its interest Skywalk) is approximately HK\$31,305,000 (calculated on the basis of the closing price of HK\$0.66 per Hua Yi Copper Share as quoted on the Stock Exchange on 21 February 2008, being the last trading day of Hua Yi Copper Share immediately before the date of this announcement).

LISTING RULES REQUIREMENTS

The proposed issuance of the Option Shares is subject to the approval of the shareholders of Hua Yi Copper. An application will be made by Hua Yi Copper to the Listing Committee for the listing of, and permission to deal in the Option Shares.

As at the date of this announcement, Solartech (through its interest in Skywalk) beneficially owns approximately 51.21% 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 51.21% to approximately 45.17% immediately after issue of the Option Share in full. As a result, Hua Yi Copper will cease to be a subsidiary of Solartech. Accordingly, the grant of Option is a deemed disposal for Solartech under the Listing Rules and a major transaction for Solartech under the Listing Rules by virtue of the relevant Percentage Ratio exceeding 25%, and will be subject to the approval of shareholders of Solartech.

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 Framework Agreement (including the issue of the Option Shares) and the grant of the Option Shares respectively. A circular containing, among other things, further information on the Framework Agreement, 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.

None of the shareholders of Solartech or Hua Yi Copper has a material interest in the transactions contemplated under the Framework 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.

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 22 February 2008 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 27 February 2008.

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

The grant of the Option is subject to shareholders of Solartech and the shareholders of Hua Yi Copper. Accordingly, the Co-operation 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:

“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. For details of the Acquisition, please see the joint announcement of Hua Yi Copper and Solartech dated 15 October 2007
“Business Day”	any day (excluding Saturdays) on which banks generally are open for business in Hong Kong
“BVI”	the British Virgin Islands
“China Alliance”	China Alliance International Holding Group Limited 中聚國際控股集團有限公司, a limited liability company incorporated in Hong Kong
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Date”	the date on which Completion takes place
“Co-operation”	the co-operation between Hua Yi Copper and the Counter Parties in metals and minerals exploration and mining particularly iron ore pursuant to the Framework Agreement
“Counter Parties”	China Alliance and Shougang Holdings
“Framework Agreement”	the conditional Framework Agreement date 21 February 2008 entered between Hua Yi Copper and the Counter Parties in relation to the Acquisition
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollar(s)” or “HK\$”	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 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

“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratios”	the percentage ratios under rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“Shougang Holdings”	首鋼控股有限責任公司 (Shougang Holdings Limited), a limited liability company incorporated in the PRC
“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 Framework Agreement and the transactions contemplated thereunder, by the shareholders of Solartech
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Belleview Global Limited, a limited liability company incorporated in the BVI, which is 100% owned by Ms. Xie Zhimin (謝志敏)

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, 26 February 2008

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 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 and Mr. Lo Chao Ming being the independent non-executive directors.