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This announcement, for which the directors (the "Directors") of Soluteck Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



SOLUTECK SOLUTECK HOLDINGS LIMITED

— 創科技集團有限公司 *

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT DISCLOSURE OF ADVANCEMENT TO AN ENTITY

The Directors would like to announce that the Group recorded an amount due from Shanghai SITICO of approximately HK\$38.7 million for both as at 15 December, 2000 (being the latest practicable date as defined in the Prospectus) and as at 31 December, 2000 (being the third quarter end date of financial year ended 2001), respectively. Such amount due from Shanghai SITICO represented the outstanding balance of certain sales transactions entered into by the Group since April 2000. Whilst, as at 31 March, 2001, the amount due from Shanghai SITICO reduced to approximately HK\$10.7 million which represented the outstanding balance of certain sales transactions entered into by the Group since October 2000. These sales transactions were entered into by the Group in its ordinary course of business and on normal commercial terms. The amount due from Shanghai SITICO of approximately HK\$10.7 million was fully settled by Shanghai SITICO on 26 July, 2001.

Shanghai SITICO is a customer of the Group and a third party independent of any of the Directors, the chief executive of the Group, the substantial shareholders (within the meaning of the GEM Listing Rules) of the Company and their respective associates (within the meaning of the GEM Listing Rules).

The amount due from Shanghai SITICO is regarded as an advance by the Company to an entity under Rule 17.15 of the GEM Listing Rules. As at 15 December, 2000 (being the latest practicable date as defined in the Prospectus), the amount due from Shanghai SITICO was approximately HK\$38.7 million, representing approximately 95.6 per cent. of the adjusted net tangible assets of the Group stated in the Prospectus. As at 31 December, 2000 (being the third quarter end date of the financial year ended 2001), the amount due from Shanghai SITICO maintained the same at approximately HK\$38.7 million, representing approximately 95.6 per cent. of the adjusted net tangible assets of the Group stated in the Prospectus. As at 31 March, 2001, the amount due from Shanghai SITICO reduced to approximately HK\$10.7 million, representing approximately 28.6 per cent. of the audited consolidated net tangible assets of the Group as at 31 March, 2001, being the latest published audited consolidated net tangible assets of the Group. Pursuant to paragraph 34(2) of Appendix 1A to the GEM Listing Rules and Rules 17.15 and 17.22 of the GEM Listing Rules, particulars of the amount (as required under Rule 17.17 of the GEM Listing Rules) should have been disclosed by the Company in the Prospectus, its 2000 third quarterly report and in its 2001 annual report, respectively.

The Stock Exchange has indicated that it reserves its right to take further action in respect of the Company's failure to disclose particulars of the amount due from Shanghai SITICO in the Prospectus, its 2000 third quarterly report and its 2001 annual report in accordance with the requirements under paragraph 34(2) of Appendix 1A to the GEM Listing Rules and Rules 17.15 and 17.22 of the GEM Listing Rules.

The Directors would like to announce that the Group recorded an amount due from Shanghai SITICO of approximately HK\$38.7 million for both as at 15 December, 2000 (being the latest practicable date as defined in the Prospectus) and as at 31 December, 2000 (being the third quarter end date of financial year ended 2001), respectively. Such amount due from Shanghai SITICO represented the outstanding balance of certain sales transactions entered into by the Group since April 2000, Whilst, as at 31 March, 2001, the amount due from Shanghai SITICO reduced to approximately HK\$10.7 million which represented the outstanding balance of certain sales transactions entered into by the Group since October 2000. These sales transactions were entered into by the Group in its ordinary course of business and on normal commercial terms. The amount due from Shanghai SITICO of approximately HK\$10.7 million was fully settled by Shanghai SITICO on 26 July, 2001.

上海申信進出口公司浦東公司(Shanghai SITICO International Trading Co., Pudong Inc.*) (“Shanghai SITICO”) is a customer of the Group and a third party independent of any of the Directors, the chief executive of the Company and its subsidiaries (together, the “Group”), the substantial shareholders (within the meaning of the GEM Listing Rules) of the Company and their respective associates (within the meaning of the GEM Listing Rules).

Following completion of installation and testing of all relevant equipment in late June 2001, the amount due from Shanghai SITICO of approximately HK\$10.7 million was fully settled by Shanghai SITICO on 26 July, 2001 in accordance with the relevant terms of the sales transactions. As the sales transactions were conducted in the ordinary course of business of the Group, no interest was accrued on the amount due and Shanghai SITICO gave no collateral under the sales transactions.

The amount due from Shanghai SITICO is regarded as an advance by the Company to an entity under Rule 17.15 of the GEM Listing Rules. As at 15 December, 2000 (being the latest practicable date as defined in the Prospectus), the amount due from Shanghai SITICO was approximately HK\$38.7 million, representing approximately 95.6 per cent. of the adjusted net tangible assets of the Group as stated in the prospectus (the “Prospectus”) of the Company dated 22 December, 2000. As at 31 December, 2000 (being the third quarter end date of the financial year ended 2001), the amount due from Shanghai SITICO maintained the same at approximately HK\$ 38.7 million, representing approximately 95.6 per cent. of the adjusted net tangible assets of the Group stated in the Prospectus. As at 31 March, 2001, the amount due from Shanghai SITICO reduced to approximately HK\$10.7 million, representing approximately 28.6 per cent. of the audited consolidated net tangible assets of the Group as at 31 March, 2001, being the latest published audited consolidated net tangible assets of the Group. Pursuant to paragraph 34(2) of Appendix 1A to the GEM Listing Rules and Rules 17.15 and 17.22 of the GEM Listing Rules, particulars of the amount (as required under Rule 17.17 of the GEM Listing Rules) should have been disclosed by the Company in the Prospectus, its 2000 third quarterly report and in its 2001 annual report, respectively.

The Directors confirm that apart from the amount disclosed herein, the Group does not make any advancement to any entity that required to be disclosed under Rules 17.15 and 17.22 of the GEM Listing Rules.

The Stock Exchange has indicated that it reserves its right to take further action in respect of the Company's failure to disclose particulars of the amount due from Shanghai SITICO in the Prospectus, its 2000 third quarterly report and its 2001 annual report in accordance with the requirements under paragraph 34(2) of Appendix 1A to the GEM Listing Rules and Rules 17.15 and 17.22 of the GEM Listing Rules.

By order of the Board
Soluteck Holdings Limited
Chung Lok Fai
Chairman

Hong Kong, 9 August, 2001

This announcement will remain on the GEM website with the domain name of www.hkgem.com on the "Latest Company Announcements" page for 7 days from the day of its posting.

** For identification purpose only*