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This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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.



TRANSFER OF SHARES BY THE CONTROLLING SHAREHOLDER

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board has been informed by ITW that pursuant to the Distribution, an aggregate of 262,500,000 Shares, representing approximately 58 per cent. of the total issued Shares, were transferred by ITW to various persons as directed by the shareholders of ITW on 10 July, 2002.

The transferees of the 262,500,000 Shares have sought a ruling from the Executive that they will not be required to make a general offer to all other Shareholders under Rule 26 of the Takeovers Code on the basis that the transferees, being members of the Chung family and the Hou family, remain parties acting in concert for the purpose of control of the Company.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

Introduction

The Board has been informed by ITW that under the Distribution, an aggregate of 262,500,000 Shares, representing approximately 58 per cent. of the total issued Shares, were transferred by ITW to various persons as directed by the shareholders of ITW on 10 July, 2002.

Particulars of the Distribution

Under the Distribution, the 262,500,000 Shares were transferred by ITW to the following persons at the direction of the shareholders of ITW:—

Name of transferees	Number of Shares	Approximate percentage of shareholding in the Company
Mr. Hou Hsiao Bing	98,460,000	21.75
Mr. Hou Hsiao Wen, Eddie	32,790,000	7.25
Mr. Chung Lok Fai	45,125,000	9.97
Madam Tsou Lo Nien	15,745,000	3.49
Ms. Chung Yuk Hung, Yvonne	35,190,000	7.77
Mr. Chung Yuk Man, Kevin	35,190,000	7.77
Total	<u>262,500,000</u>	<u>58</u>

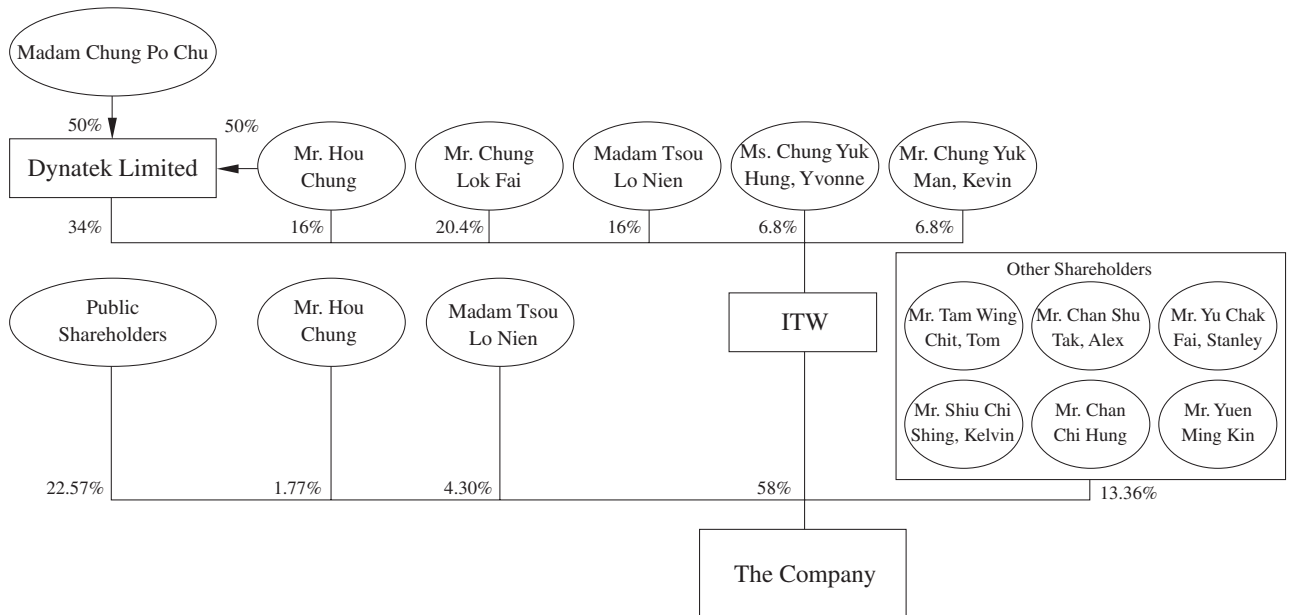
All the transferees (except for Madam Tsou Lo Nien, who is the spouse of Mr. Chung Lok Fai) named above are executive Directors.

Information on ITW

ITW is an investment holding company and is owned as to 34 per cent. by Dynatek Limited, 20.4 per cent. by Mr. Chung Lok Fai, 16 per cent. by Mr. Hou Chung, 16 per cent. by Madam Tsou Lo Nien, 6.8 per cent. by Ms. Chung Yuk Hung, Yvonne and the remaining 6.8 per cent. by Mr. Chung Yuk Man, Kevin. Such shareholding structure has not changed since the listing of the Shares on GEM in January 2001. Immediately prior to the Distribution, ITW was a management shareholder (as such term is defined under the GEM Listing Rules) of the Company. The moratorium period has passed and accordingly, the lock-up of the Shares held by ITW has been released.

The following diagram illustrates the shareholding structure of the Company immediately before the Distribution:–

Shareholding structure of the Company prior to the Distribution



Reasons for the Distribution

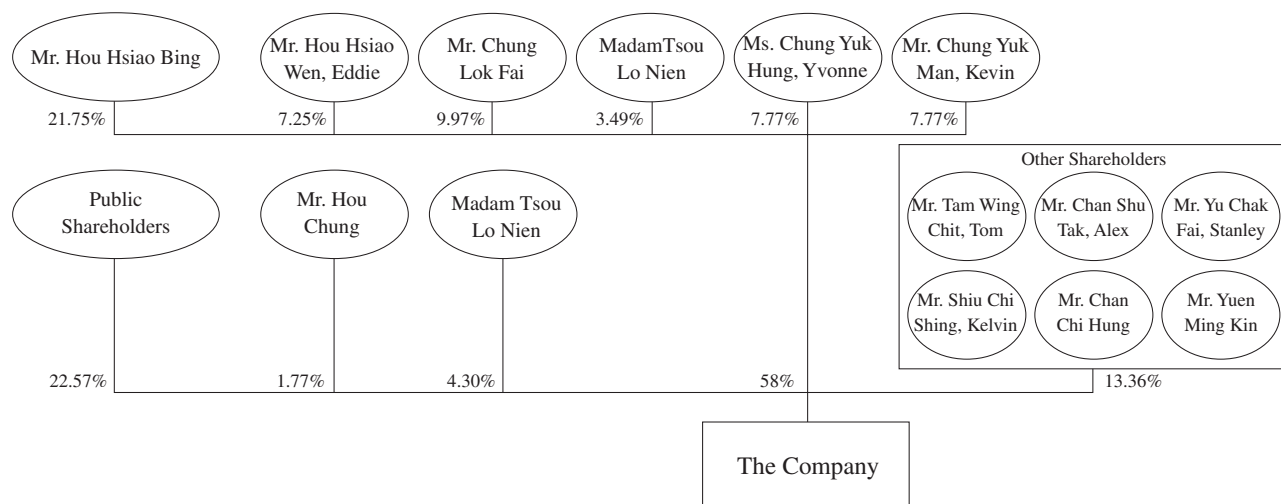
Since the listing of the Shares on GEM in January, 2001, the Company has been controlled by two related families. Mr. Chung Lok Fai and his spouse, Madam Tsou Lo Nien and their two children, Mr. Chung Yuk Man, Kevin and Ms. Chung Yuk Hung, Yvonne (together, the “**Chung family**”), who together control 50 per cent. of the issued share capital of ITW. Mr. Hou Chung and his spouse, Madam Chung Po Chu and their two children, Mr. Hou Hsiao Bing and Mr. Hou Hsiao Wen, Eddie (together, the “**Hou family**”) control the remaining 50 per cent. of the issued share capital of ITW. Madam Chung Po Chu is a sister of Mr. Chung Lok Fai. Except for Mr. Hou Chung, Madam Chung Po Chu and Madam Tsou Lo Nien, all members of the Chung family and the Hou family are executive Directors and are responsible for the daily operations of the Company and its subsidiaries.

The purpose of the Distribution is to reorganise the shareholding structure of the Company amongst members of the Chung family and the Hou family so that younger members of the two families will directly hold a significant portion of the Shares. Following completion of the Distribution, the proportion of shareholdings in the Company held between members of the Chung family and the Hou family remains unchanged. In addition, the Distribution does not change any management, directors or business operations of the Company. An application had been made by the Chung family and the Hou family to the Executive for a waiver from strict compliance with any general offer obligation that may arise under Rule 26 of the Takeovers Code as a result of the transfer of Shares pursuant to the Distribution on the basis that transferees, being members of the Chung family and the Hou family, remain parties acting in concert for the purpose of control of the Company. The Executive has ruled that such transfer of Shares would not attract a general offer obligation under the Takeovers Code.

Shareholding structure of the Company upon completion of the Distribution

The following diagram illustrates the shareholding structure of the Company immediately after the Distribution:–

Shareholding structure of the Company upon completion of the Distribution



Definitions

Unless the context requires otherwise, the use of capitalised terms here shall have the following meanings:–

“Board”	the board of Directors
“Company”	Soluteck Holdings Limited, a company incorporated in the Cayman Islands with the Shares listed on GEM.
“Directors”	the directors of the Company
“Distribution”	the distribution of an aggregate of 262,500,000 Shares beneficially owned by ITW in specie by ITW to those persons directed by its shareholders
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission
“GEM”	the Growth Enterprise Market operated by The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

“ITW”	Innovative Tech Worldwide Inc., a company incorporated in the British Virgin Islands with limited liability on 2 June, 2000 and a management shareholder (as such term is defined under the GEM Listing Rules) prior to completion of the Distribution
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers

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

Hong Kong, 10 July, 2002

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* *For identification only*