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SINO-TECH INTERNATIONAL HOLDINGS LIMITED

泰豐國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

CONNECTED TRANSACTION – EARLY REDEMPTION OF CONVERTIBLE NOTES

Reference is made to the Announcement and the Circular in respect of, among other things, the acquisition by the Group of the entire issued share capital of CITIC Logistics involving the issue of Consideration Shares and Convertible Notes.

The Board announces that, in accordance with the terms and conditions of the Convertible Notes, the Company has exercised its right to early redeem the Convertible Notes held by Mr. Li Weimin, in the aggregate principal amount of HK\$36,000,000, representing approximately 7.46% of the total outstanding principal amount of the Convertible Notes immediately before the CN Redemption and the completion of which took place on 30 May 2011.

As Mr. Li Weimin is an executive director and a substantial shareholder (as defined under the Listing Rules) of the Company and therefore a connected person (as defined under the Listing Rules) of the Company, the CN Redemption constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the CN Redemption is more than 0.1% but less than 5%, the CN Redemption is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under the Listing Rules.

Reference is made to the Announcement and the Circular in respect of, among other things, the acquisition by the Group of the entire issued share capital of CITIC Logistics involving the issue of Consideration Shares and Convertible Notes. Unless otherwise stated, capitalized terms used but not defined in this announcement shall have the same meanings as those defined in the Announcement and the Circular.

* *For identification purpose only*

CN REDEMPTION

Date

30 May 2011

Parties

- (1) the Company, as issuer of the Convertible Notes
- (2) Mr. Li Weimin, as holder of the Convertible Notes in the total outstanding principal amount of HK\$482,400,000 immediately before the CN Redemption

Subject matter

The Convertible Notes were issued by the Company to Mr. Li Weimin on 19 November 2009 as part consideration for the acquisition by the Group of the entire issued share capital of CITIC Logistics. Pursuant to the terms and conditions of the Convertible Notes, subject to the occurrence of an event of default (as defined in the terms and conditions of the Convertible Notes), the Convertible Notes may be redeemed in amounts of HK\$100,000 or integral multiples thereof at the option and in the absolute discretion of the Company on any Business Day prior to the Maturity Date. The Company has exercised its right to early redeem the Convertible Notes in the aggregate principal amount of HK\$36,000,000, particulars of which are set out as follows:

Principal amount of Convertible Notes redeemed	Principal amount of Convertible Notes redeemed as a percentage of total outstanding principal amount of Convertible Notes immediately before the CN Redemption	Conversion price per Share	Maximum number of Shares to be issued upon conversion in full
HK\$36,000,000	7.46%	HK\$0.12	300,000,000

Consideration

The consideration of HK\$36,000,000 for the CN Redemption was satisfied by cash from internal resources of the Group. The consideration of HK\$36,000,000 represents the equivalent amount of the principal amount of the Convertible Notes being redeemed.

Completion of the CN Redemption

Completion of the CN Redemption took place on 30 May 2011.

REASONS FOR AND BENEFITS OF THE CN REDEMPTION

The Company considers that the CN Redemption could reduce the total liabilities, improve the gearing, and reduce the financial impact of the Convertible Notes on the income statement of the Group. The CN Redemption could also reduce the dilution effect on the voting rights of the existing Shareholders.

The Board considers that the CN Redemption would not have any material adverse effect on the financial position of the Group and the existing financial resources of the Group after the CN Redemption will be sufficient for current operations and capital expenditures requirement.

The Directors (including the independent non-executive Directors) are of the view that the CN Redemption (including the consideration involved and the method of payment) are on normal commercial terms that are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY

The Company is a company incorporated in Bermuda with limited liability and is principally engaged in the business of investment holding. The principal business activities of its major subsidiaries include manufacturing and trading of electronic and electrical parts and components, and the provision of logistics services.

LISTING RULES IMPLICATION

As Mr. Li Weimin is an executive director and a substantial shareholder (as defined under the Listing Rules) of the Company and therefore a connected person (as defined under the Listing Rules) of the Company, the CN Redemption constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the CN Redemption is more than 0.1% but less than 5%, the CN Redemption is only subject to the reporting and announcement requirements and is exempt from the independent shareholders approval requirements under the Listing Rules.

In view of the interests of Mr. Li Weimin in the CN Redemption, Mr. Li Weimin has abstained from voting on the resolutions of the Board for approving the CN Redemption and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context otherwise requires.

“Announcement”	the announcement of the Company dated 23 September 2009 in respect of, among other things, the acquisition by the Group of the entire issued share capital of CITIC Logistics involving the issue of Consideration Shares and Convertible Notes
“Board”	the board of Directors
“Circular”	the circular of the Company dated 19 October 2009 in respect of, among other things, the acquisition by the Group of the entire issued share capital of CITIC Logistics involving the issue of Consideration Shares and Convertible Notes
“CITIC Logistics”	CITIC Logistics (International) Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“CN Redemption”	the early redemption of the Convertible Notes in the aggregate principal amount of HK\$36,000,000 by the Company in accordance with the terms and conditions of the Convertible Notes
“Company”	Sino-Tech International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Sino-Tech International Holdings Limited
Huang Hanshui
Executive Director

Hong Kong, 30 May 2011

As at the date of this announcement, the Board comprises Mr. Li Weimin, Mr. Lam Yat Keung and Mr. Huang Hanshui as executive directors; Academician Liu Renhuai and Mr. Xin Luo Lin as non-executive directors; and Mr. Ho Chi Fai, Ms. Liu Yanfang and Professor Ma Hongwei as independent non-executive directors.