

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that on 30 June 2011, the Company entered into the Agreement with CITIC Logistics BJ pursuant to which the Company agreed to provide a guarantee in the maximum amount of RMB3,300,000 to CITIC Logistics BJ to facilitate the availability of the Bid Securities.

Mr. Li Weimin, an executive director and a substantial shareholder (as defined under the Listing Rules) of the Company, beneficially holds 30% equity interest in CITIC Logistics BJ. Therefore, CITIC Logistics BJ is a connected person of the Company and the transaction contemplated under the Agreement constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios are more than 0.1% but less than 5%, the transaction contemplated under the Agreement is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under the Listing Rules.

THE AGREEMENT

Date

30 June 2011

* *For identification purpose only*

Parties

- (1) the Company; and
- (2) CITIC Logistics BJ

The Bid Securities

CITIC Logistics BJ intends to participate in bidding some projects in relation to the provision of logistics services in the PRC to a state-owned enterprise. As a condition of tender submission, CITIC Logistics BJ is required to provide bid securities to the purchaser. The letter of guarantees will be issued by Bank of China, Huizhou Branch, China to serve as bid securities of CITIC Logistics BJ.

The Guarantee

On 30 June 2011, the Company provided guarantee in the maximum amount of RMB3,300,000 by way of an irrevocable standby letter of credit in favour of Bank of China, Huizhou Branch, China to counter guarantee 100% of the Bid Securities. The Guarantee will be expired on 30 April 2012.

Provision of financial assistance

Pursuant to the Agreement, the Company agreed to provide the Guarantee to CITIC Logistics BJ to facilitate the availability of the Bid Securities. CITIC Logistics BJ undertakes (i) to pay to the Company all the bank charges incurred in the provision of the Guarantee; (ii) to indemnify fully the Company from and against any it will losses or liability suffered by the Company in connection with the Guarantee; and (iii) if the Acquisition is terminated within the expiry of the Guarantee, it will pay to the Company the sum of RMB3,300,000 and the Company should repay the same after deducting all charges and claims (if any) to CITIC Logistics BJ after the expiry of the Guarantee.

GENERAL INFORMATION

Information of 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.

Information of CITIC Logistics BJ

CITIC Logistics BJ together with its subsidiaries are principally engaged in the provision of logistics and related services mainly including chemical logistics, engineering logistics, freight forwarding and logistics project management in the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

Reference is made to the announcement of the Company dated 11 February 2011 and the circular of the Company dated 28 February 2011 in relation to, among other matters, the discloseable and connected transactions with respect to the Acquisition. The Company is finalizing the registration of change in ownership of CITIC Logistics BJ and expects that the Acquisition will be completed this year. After completion of the Acquisition, CITIC Logistics BJ will become a subsidiary of the Company.

Taking into account the business opportunities of CITIC Logistics BJ and the Guarantee would not have immediate effect on the cash position of the Group, the Board considers that the provision of the Guarantee would facilitate the future business development of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement have been agreed on normal commercial terms after arm's length negotiations between the Company and CITIC Logistics BJ, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Mr. Li Weimin, an executive director and a substantial shareholder (as defined under the Listing Rules) of the Company, beneficially holds 30% equity interest in CITIC Logistics BJ. Therefore, CITIC Logistics BJ is a connected person of the Company and the transaction contemplated under the Agreement constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios are more than 0.1% but less than 5%, the transaction contemplated under the Agreement 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 Agreement, Mr. Li Weimin has abstained from voting on the board resolution for approving the Agreement and the transaction contemplated thereunder.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire effective interest in CITIC Logistics BJ and details of which can be referred to the circular of the Company dated 28 February 2011
“Agreement”	the agreement dated 30 June 2011 entered into between the Company and CITIC Logistics BJ in respect of the provision of the Guarantee
“Bid Securities”	the letter of guarantees to be issued by Bank of China, Huizhou Branch, China to serve as bid securities of CITIC Logistics BJ for bidding some projects in relation to the provision of logistics services in the PRC
“Board”	the board of Directors
“CITIC Logistics BJ”	CITIC Logistics Company Limited (中信物流有限公司), a company incorporated in the PRC with limited liability
“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
“Guarantee”	the guarantee in the maximum amount of RMB3,300,000 provided by the Company on 30 June 2011 by way of an irrevocable standby letter of credit in favour of Bank of China, Huizhou Branch, China
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Group”	the Company and its subsidiaries
“PRC”	the People’s Republic of China

“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
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 30 June 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.