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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)

UPDATE ON PROPOSED VOLUNTARY WINDING-UP OF A SUBSIDIARY

The resolution for the voluntary winding-up of CLI under Section 241 of the Companies Ordinance has been passed by Top Victory as the sole shareholder of CLI on 27 December 2012, and the winding-up process of CLI has commenced. On the same day, the creditors of CLI have approved the appointment of Mr. Yeung Lui Ming (Edmund) and Mr. Ho Kwok Leung, Glen, all of 35th Floor, One Pacific Place, 88 Queensway, Hong Kong, as joint and several liquidators in connection with the Winding-Up.

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:00 a.m. on 14 March 2012, and it will remain suspended pending the release of further announcement(s) by the Company.

Reference is made to the Company's announcement dated 12 December 2012 in relation to the proposed Winding-Up (the "Announcement"). Capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement, unless otherwise specified.

UPDATE ON PROPOSED VOLUNTARY WINDING-UP OF CLI

The Company wishes to announce that the resolution for the voluntary winding-up of CLI under Section 241 of the Companies Ordinance has been passed by Top Victory as the sole shareholder of CLI on 27 December 2012, and the winding-up process of CLI has commenced. On the same day, the creditors of CLI have approved the appointment of Mr. Yeung Lui Ming (Edmund) and Mr. Ho Kwok Leung, Glen, all of 35th Floor, One Pacific Place, 88 Queensway, Hong Kong, as joint and several liquidators in connection with the Winding-Up.

Upon the commencement of the Winding-Up, the Company has lost its control over CLI, and accordingly CLI has ceased to be a subsidiary of the Company and the financial results and position of the CLI Group will be deconsolidated from that of the Group. For illustration purpose only, based on the unaudited accounts of the Group as at 30 June 2012, the Board estimates that the deconsolidation of the CLI Group may result in a reduction of the Group's net asset value by approximately HK\$75 million. In addition, as a result of the Winding-up, the Retained Group may need to make a provision for the receivables from the CLI Group estimated at approximately HK\$159 million. Further, the Company has provided a corporate guarantee in relation to other borrowing of HK\$8 million made by an independent third party to CLI as at the date of this announcement. The Company, therefore, may incur a liability in the amount of approximately HK\$8 million plus the associated interest costs as a result of the Winding-Up.

CONTINUATION OF THE SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 14 March 2012.

As set out in the Company's announcements dated 30 November 2012 and 12 December 2012, the Board would engage an independent auditor to review the internal control procedures of the Group. As at the date of this announcement, the independent auditor has commenced its reviewing work. After completion of the internal control review of the Group, the Company will seek to apply for the resumption of the trading in the Shares.

Further announcement(s) will be made by the Company as and when appropriate.

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

Hong Kong, 27 December 2012

As at the date of this announcement, the Board comprises Mr. Lam Yat Keung (President), Mr. Lim Chuan Yang, Mr. Huang Hanshui and Mr. Lam Hung Kit as executive Directors; and Mr. Ho Chi Fai, Ms. Liu Yanfang, Professor Ma Hongwei, Mr. Chau Pong Chi and Ms. Ching Betty Siu Kuen as independent non-executive Directors.

* *For identification purpose only*