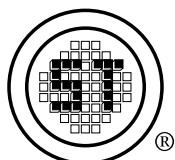


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This announcement appears for information purposes only and does not constitute an invitation to offer to acquire, purchase or subscribe for securities in the Company.



SINO-TECH INTERNATIONAL HOLDINGS LIMITED

泰豐國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

DISCLOSEABLE TRANSACTION

INVESTMENT IN VINAMINCO VIETNAM MINERAL EXPLOITING – PROCESSING GROUP LIMITED COMPANY

RESUMPTION OF TRADING

On 17th July, 2007, the Company's wholly-owned subsidiary, Top Victory entered into the Share Transfer Agreement with Mr. Li under which Top Victory conditionally agreed to acquire from Mr. Li 80% interest in Trung Hai at a total consideration of HK\$300,000,000 to be satisfied as to HK\$88,000,000 in cash and the remaining balance by the issue and allotment of 42,400,000 new Consideration Shares. Trung Hai has formed a joint venture company, Vinaminco, with Vietnam Mineral, the operations of such joint venture are currently expected to be exploiting, refining and export of chromium. Vinaminco is owned as to 49% by Trung Hai and 51% by Vietnam Mineral.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Trading in Shares has been suspended with effect from 2:30 p.m. on 17th July, 2007 pending the issue of this announcement. Trading in Shares will resume with effect from 9:30 a.m. on 17th August, 2007.

* for identification only

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SHARE TRANSFER AGREEMENT

Date

17th July, 2007 (as supplemented by supplemental agreements dated 23rd July, 2007 and 9th August, 2007)

Parties

Transferor: Mr. Li. To the best knowledge of the Company and the Directors, Mr. Li is a third party independent of the Company and its connected persons or their respective associates.

Transferee: Top Victory, a wholly-owned subsidiary of the Company.

Subject Matter

80% interest in Trung Hai.

Consideration

HK\$300,000,000 which is to be satisfied as to HK\$88,000,000 in cash and as to the remaining HK\$212,000,000 by the issue and allotment of 42,400,000 Shares, representing HK\$5 per Share ("Consideration Shares").

The Consideration Shares of HK\$5 per Share represents:–

- (a) a discount of approximately 1.77% to the closing price per share of HK\$5.09 as quoted on the Stock Exchange on 16 July 2007 being the latest full trading day before trading in the Shares were suspended ("Last Full Trading Date");

- (b) a premium of approximately 14.94% to the average closing price per share of HK\$4.35 as quoted on the Stock Exchange for the last five trading date up to and including the Last Full Trading Date; and
- (c) a discount of approximately 11.35% to the closing price per Share of HK\$5.64 as quoted on the Stock Exchange on 17 July 2007 being the last closing price before trading in the Shares were suspended in the afternoon of 17 July 2007.

The 42,400,000 Consideration Shares represent approximately 11.17% of the total issued share capital of the Company as at the date of this announcement and approximately 10.04% of the issued share capital of the Company immediately after completion of the Acquisition as enlarged by the issue of the Consideration Shares (assuming no change in the share capital of the Company between the date of this announcement and the date of completion). The Consideration Shares will be issued under the general mandate granted to the directors of the Company in the annual general meeting of the Company on 25 June 2007. Since the grant of the mandate, no Shares have been issued under such mandate. An application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Mr. Li has agreed under the Share Transfer Agreement that there will be no disposal or transfer of any of the Consideration Shares within the twelve-months of the issue and allotment of the Consideration Shares.

US\$2,500,000 (equivalent to approximately HK\$19,500,000) of the Consideration is payable to Mr. Li within 30 days of signing of the Share Transfer Agreement. Such initial payment is non-refundable unless the Share Transfer Agreement is terminated by Mr. Li. The remaining 50% of the cash Consideration is payable within 30 days of the fulfillment of the conditions under the Share Transfer Agreement and remaining 50% to be paid within 90 days of the fulfillment of the Conditions.

The Consideration is arrived at with reference to the estimated reserves of 1,500,000 tonnes of unrefined chromite with an estimation of 450,000 tonnes of refined chromite in the Mau Lam and Phu Nhuam Sites which amounts to approximately HK\$31,500,000,000 based on a prevailing market price of approximately HK\$70,000 per tonne of refined chromite. As such, the Company's attributable interest amounts to approximately HK\$12,348,000,000.

CONDITIONS PRECEDENT

The Share Transfer Agreement is conditional upon:–

- (a) Vinaminco obtaining an investment permit from the government of Vietnam;
- (b) the Mau Lam and Phu Nhuam Sites having estimated reserves of 1,500,000 tonnes of unrefined chromite with 450,000 tonnes of refined chromite;
- (c) if required, the obtaining of shareholders' approval of the Company in respect of the Share Transfer Agreement and the transactions contemplated thereunder;
- (d) the Listing Committee granting permission to list and deal in the new Consideration Shares; and
- (e) the obtaining of an opinion in respect of legal implications regarding foreign companies to invest in a Vietnamese company.

COMPLETION

Expected to be before 31st December, 2007.

VINAMINCO

Pursuant to the joint venture agreement entered into between Trung Hai and Vietnam Mineral dated 14th July, 2007, the board of Vinaminco will consist of 6 directors, 3 to be nominated by Trung Hai (out of which 2 will be nominated by Top Victory) and 3 to be nominated by Vietnam Mineral. Both of Top Victory and Trung Hai have no board control at Vinaminco level. Vinaminco is merely treated as an investment by the Company and the Company has no actual involvement in the day to day activities of Vinaminco. The profits of Vinaminco, after deduction of corporate income tax, will be allocated as to 10% to a reserve fund, then for repayment of the US\$10.82 million loan (as mentioned below) and the remainder for distribution amongst the shareholders pro-rata to their shareholding.

INFORMATION ON TRUNG HAI, VINAMINCO AND MAU LAM AND PHU NHUAM SITES

Trung Hai is a company established under the laws of Vietnam with limited liability on 18th May, 2007. Its principal activities are the provision of industrial and technical advice and consultation service. According to the unaudited financial statements of Trung Hai in respect of the period from date of inception to 30th June 2007, its net assets value as at 30th June 2007 was US\$1 million (equivalent to HK\$7,800,000 at the exchange rate of HK\$7.8 to US\$1.00). It does not have any revenues or profits since its date of inception.

Vinaminco was established on 29th July 2007. The principal activities of Vinaminco (not the Company nor Trung Hai) is expected to be exploiting, refining and exporting of chromium. Vinaminco will appoint a technical adviser to prepare a report to support the reserves in the mines in order to satisfy the conditions precedent to the Share Transfer Agreement. Activities to be conducted by Vinaminco are not activities of the Group. The Company's investment in Vinaminco will not result in any extension to or change of the current activities of the Group.

Trung Hai will arrange financing in the amount of US\$10,820,000 (equivalent to approximately HK\$84,396,000) for Vinaminco based on normal commercial terms. Vinaminco will charge its exploitation rights and other assets to secure its obligation to repay such loan. There is no commitment on the part of Top Victory to fund any part of such loan of US\$10,820,000. Save for the consideration of HK\$300 million payable to Mr. Li for the acquisition of the 80% interest in Trung Hai, Top Victory does not have any other capital commitment in relation to the formation of Vinaminco under the Share Transfer Agreement.

The Mau Lam and Phu Nhuam Sites are situated in Nhu Thanh District, Thanh Hoa Province, Vietnam covering an aggregate area of approximately 500 hectares. In order for Vinaminco to conduct mining, refining and export of chromium operations, the following licenses are required under the laws of Vietnam:–

- (a) Mineral mining license; and
- (b) Mineral processing license.

The Mau Lam and Phu Nhuam Sites are estimated to have reserves of 1,500,000 tonnes of unrefined chromite with 450,000 tonnes of refined chromite. The Company has engaged a technical consultant to carry out test drills.

Upon completion of the Acquisition, Trung Hai will be treated as a subsidiary and Vinaminco will be treated as an associated company of the Company in the accounts of the Company.

INFORMATION ON THE GROUP AND REASONS FOR ENTERING INTO THE TRANSACTION

The Company or its subsidiaries, is principally engaged in the manufacturing and sale of electronic parts and components and lighters. As a result of Vietnam entering into the World Trade Organisation, the growth prospects in Vietnam are expected to excel. The Company wishes to make use of this opportunity to invest in Vietnam in order to leverage on the future prospects of Vietnam which may help the Company to seek future opportunity to expand its existing business. The Company considers that the Acquisition will provide the Company with such opportunity and also an opportunity to engage in chromium exploitation business which will enable the Group to broaden its income source thereby increasing shareholders' wealth. The Company will continue with its existing business upon completion of the Share Transfer Agreement. The Directors (including independent non-executive directors) consider that terms of the Share Transfer Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and the shareholders as a whole.

SHAREHOLDING STRUCTURE

Shareholders	As at the date hereof		Upon completion of the Acquisition	
	<i>No. of Shares</i>	<i>Percentage</i>	<i>No. of Shares</i>	<i>Percentage</i>
Smart Number (<i>Note 1</i>)	60,000,000	15.80%	60,000,000	14.21%
Forever Gain (<i>Note 2</i>)	58,000,000	15.27%	58,000,000	13.74%
Mr. Li	–	–	42,400,000	10.04%
Public	261,750,000	68.93%	261,750,000	62.01%
Total:	379,750,000	100%	422,150,000	100%

Note 1: Smart Number Investments Limited (“Smart Number”) is beneficially owned as to 66.67% by Lam Pik Wah and 33.33% by Lam Hung Kit.

Note 2: Forever Gain Profits Limited (“Forever Gain”) is wholly-owned by Wan Bing Hung.

GENERAL

The entering into of the Share Transfer Agreement constitutes a discloseable transaction for the Company. A circular containing the details required under the Listing Rules will be dispatched to shareholders of the Company as soon as practicable.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Trading in Shares has been suspended with effect from 2:30 p.m. on 17th July, 2007 pending the issue of this announcement. Trading in Shares will resume with effect from 9:30 a.m. on 17th August, 2007.

DEFINITIONS

“Acquisition”	the proposed acquisition of 80% interest in Trung Hai by Top Victory from Mr. Li;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	Sino-Tech International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries (which has the meaning ascribed to it in the Listing Rules);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mau Lam and Phu Nham Sites”	the two mining sites in Thanh Hoa Province, Vietnam in respect of which the mining license is expected to be granted to Vinaminco;

“Mr. Li”	李天民 (Li Tianmin), a sole shareholder of Trung Hai as at the date of this announcement;
“Share(s)”	shares of a nominal value of HK\$0.10 each in the capital of the Company;
“Share Transfer Agreement”	the share transfer agreement dated 17th July, 2007 entered into between Mr. Li and Top Victory in relation to the proposed acquisition by Top Victory of 80% interest in Trung Hai, as supplemented by supplemental agreements dated 23rd July, 2007 and 9th August, 2007 entered into between the same parties;
“Top Victory”	Top Victory Industries Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“Trung Hai”	Trung Hai Vietnam Investment Company Limited, a company incorporated under the laws of Vietnam with limited liability and which is wholly-owned by Mr. Li as at the date of this announcement;
“US\$”	United States dollars, the lawful currency of United States of America; and
“Vietnam Mineral”	Viet Nam Aditives Mine Joint Stock Company, a company incorporation under the laws of Vietnam and which is owned by third party independent of the Company and its connected persons;

“Vinaminco”

Vinaminco Vietnam Mineral Exploiting – Processing Group Limited Company (越南礦產開採－加工集團有限責任公司), a joint venture company established under the laws of Vietnam and owned as to 49% by Trung Hai and 51% by Vietnam Mineral;

“%”

per cent.

In this announcement, US\$ are translated for illustration purposes, into HK\$ at US\$1 to HK\$7.8.

By order of the Board

Lam Yat Keung

President

Hong Kong, 16th August, 2007

As at the date of this announcement, the Board comprises Messrs. Lam Yat Keung, Lam Pik Wah and Lam Hung Kit as executive Directors and Messrs. Lo Wah Wai, Pai Te Tsun and Ho Chi Fai as independent non-executive Directors.