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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)

LETTER OF INTENT IN RESPECT OF THE PROPOSED ACQUISITION

This announcement is made in accordance with Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 28 June 2009, the Purchaser, a wholly owned subsidiary of the Company, entered into the Letter of Intent with the Vendor in respect of the Proposed Acquisition.

According to the Letter of Intent, the Purchaser intends to acquire the Sale Shares, representing the entire issued share capital of the Target Company, from the Vendor. The sole asset of the Target Company is the entire issued share capital of the HK Company which in turn is interested in 90% equity interest in the JV Company. The JV Company is principally engaged in property development and investment as well as operation of commercial properties in Changchun City, Jilin Province, the PRC. The JV Company currently holds a property project which will be developed into a large scale commercial market place in Changchun City, Jilin Province, the PRC.

The parties to the Letter of Intent agreed to use their respective best efforts to negotiate in good faith on the terms of the Proposed Acquisition and enter into a binding agreement within 3 months from the date of the Letter of Intent (or such later date as the parties to the Letter of Intent may agree in writing).

Shareholders and potential investors of the Company should note that the Proposed Acquisition is only at an early stage of negotiation and may or may not materialize. The Proposed Acquisition, if materialized, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and the Company shall comply with the relevant disclosure and/or shareholders' approval requirements under the Listing Rules where appropriate. **Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

* For identification purpose only

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LETTER OF INTENT

Parties:

Purchaser: the Purchaser, a wholly owned subsidiary of the Company

Vendor: the Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be acquired

According to the Letter of Intent, the Purchaser intends to acquire the Sale Shares, representing the entire issued share capital of the Target Company, from the Vendor.

Consideration

The consideration of the Sale Shares will be arrived at after arm's length negotiations between the Purchaser and the Vendor and will be determined with reference to (i) the audited consolidated net asset value of the Target Company as at 30 June 2009 in accordance with Hong Kong Financial Reporting Standards and subject to adjustment for any revaluation surplus of the property interest of the Target Group; and (ii) the valuation of the asset value of the property interest of the Target Group as stated in the valuation report prepared by an independent valuer acceptable to the Purchaser.

The consideration of the Sale Shares will be settled by way of cash, new Shares and/or convertible notes of the Company to be agreed by the parties to the Letter of Intent. It is agreed by the parties to the Letter of Intent that if any part of the consideration of the Sale Shares is to be payable by issue of new Shares and/or convertible notes of the Company, the issue price of such new Shares and/or the conversion price of the convertible notes of the Company shall be HK\$0.20 per Share (as the case may be). The issue price of such new Shares and/or the conversion price of such convertible notes of the Company are arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the average closing price of HK\$0.2037 per Share as quoted on the Stock Exchange for the 10 trading days up to and including 26 June 2009, being the last trading day before the date of this announcement.

Conditions

Completion of the Proposed Acquisition shall be conditional on the fulfillment of, inter alia, the following conditions:

- (a) (if required) the obtaining of all necessary approval from the Vendor's shareholders; the Purchaser's shareholders; the holding companies of the Vendor and the Purchaser; government and regulatory authorities (including, but not limited to, the Stock Exchange and the regulatory department in the PRC) and the relevant enterprises. In the event that the approval from any shareholders, government, regulatory authorities and relevant enterprises is given subject to condition(s), such condition(s) shall be acceptable to the Purchaser;
- (b) (if applicable) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in the new Shares to be issued in relation to the Proposed Acquisition;
- (c) completion of a due diligence review of the operation, financial and legal aspects of the Target Group to the satisfaction of the Purchaser;
- (d) compliance with the relevant regulatory requirements including, but not limited to Listing Rules and other applicable (including Hong Kong, the PRC and other applicable jurisdictions) requirements; and
- (e) the Purchaser having received a written legal opinion from a qualified PRC lawyer acceptable to the Purchaser, in the form and with contents satisfactory to the Purchaser.

Due Diligence

After the signing of the Letter of Intent, the Purchaser will conduct a due diligence review on the Target Group and the Vendor will provide the necessary assistance and documents to the Purchaser.

The parties to the Letter of Intent agreed to use their respective best efforts to negotiate in good faith on the terms of the Proposed Acquisition and enter into a binding agreement within 3 months from the date of the Letter of Intent (or such later date as the parties to the Letter of Intent may agree in writing). In the event that the parties do not enter into a binding agreement within 3 months from the date of the Letter of Intent (or such later date as the parties to the Letter of Intent may agree in writing), the Letter of Intent shall be null and void and of no effect.

Exclusivity

The Vendor has undertaken that during the period of 3 months from the date of the Letter of Intent, it will not negotiate or enter into any agreement (including oral or written agreement, undertaking or understanding) with any other party other than the Purchaser with respect to the Sale Shares, the transaction contemplated under the Letter of Intent or the sale of any asset or interest of the Target Group (save and except for sale in its usual and ordinary course of business).

Save for the provisions regarding the issue price of the new Shares and the conversion price of the convertible notes of HK\$0.20 mentioned hereinabove, the exclusivity mentioned hereinabove, confidentiality, binding effect and governing law in the Letter of Intent, the Letter of Intent does not have any legally binding effect. The Proposed Acquisition is subject to the entering into a legally binding agreement by the parties to the Letter of Intent.

INFORMATION ON THE TARGET GROUP

The sole asset of the Target Company is the entire issued share capital of the HK Company which in turn is interested in 90% equity interest in the JV Company. The JV Company is principally engaged in property development and investment as well as operation of commercial properties in Changchun City, Jilin Province, the PRC. The JV Company currently holds a property project which will be developed into a large scale commercial market place in Changchun City, Jilin Province, the PRC.

REASONS FOR THE PROPOSED ACQUISITION

The principal business activities of the Group include (i) manufacturing and trading of high-end electronics and electrical parts and components; and (ii) design, manufacture and trading of a wide range of cigarette lighters and lighter-related accessories.

In order to seek for more business opportunities and to maximize return to the Company and the Shareholders in the long run, the Company has decided to enter into the Letter of Intent with the Vendor to explore the possibility of diversification of the business of the Group.

GENERAL

Shareholders and potential investors of the Company should note that the Proposed Acquisition is only at an early stage of negotiation and may or may not materialize. The Proposed Acquisition, if materialized, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and the Company shall comply with the relevant disclosure and/or shareholders' approval requirements under the Listing Rules where appropriate. **Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

DEFINITIONS

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

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| “Board” | board of the Directors |
| “Company” | Sino-Tech International Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange |
| “Directors” | directors of the Company |
| “HK Company” | Longxin (China) Construction Investment Holdings Limited 玖鑫(中國)建設投資控股有限公司, a company incorporated in Hong Kong and wholly owned by the Target Company |
| “JV Company” | 長春中泰實業有限公司(Changchun Zhongtai Industry Company Limited), a sino-foreign equity joint venture enterprise established in the PRC and 90% owned by the HK Company |
| “Letter of Intent” | the letter of intent dated 28 June 2009 entered into by the Vendor and the Purchaser in relation to the Proposed Acquisition |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |
| “Proposed Acquisition” | the proposed acquisition by the Purchaser of the Sale Shares |
| “Purchaser” | Top Victory Industries Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company |
| “Sale Shares” | the entire issued share capital of the Target Company |
| “Share(s)” | share(s) of HK\$0.01 each of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |

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| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Group” | the Target Company, the HK Company and the JV Company |
| “Target Company” | Longxin International Limited (龍鑫國際有限公司), a company incorporated in the British Virgin Islands and wholly owned by the Vendor |
| “Vendor” | China Advance Holdings Group Limited (中進控股集團有限公司), a company incorporated in the British Virgin Islands which is beneficially owned as to 95% by Mr. Wang Jianzhao and 5% by Mr. Wang Jianqiao |

By order of the Board
Sino-Tech International Holdings Limited
Lam Yat Keung
President

Hong Kong, 28 June 2009

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.