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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)

(1) VERY SUBSTANTIAL ACQUISITION INVOLVING THE ISSUE OF CONSIDERATION SHARES AND CONVERTIBLE NOTES (2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL AND (3) RESUMPTION OF TRADING

THE TRANSACTION

The Board wishes to announce that on 13 September 2009, the Company and the Purchaser, a wholly-owned subsidiary of the Company, have entered into the Agreement with the Vendor, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital of CITIC Logistics at the Consideration of HK\$1,144,800,000 (subject to adjustment) on the terms and subject to the conditions set out in the Agreement.

The Consideration shall be satisfied (i) as to HK\$194,400,000 by allotting and issuing the Consideration Shares; and (ii) as to HK\$950,400,000 (subject to adjustment) by issuing the Convertible Notes to the Vendor.

The Conversion Price of the Convertible Note is HK\$0.12 per Conversion Share. Upon full exercise of the conversion rights attaching to the Convertible Notes in the amount of HK\$950,400,000, a total of 7,920,000,000 Conversion Shares will be issued by the Company.

* For identification purpose only

Pursuant to the Agreement, the Company and the Purchaser have undertaken to the Vendor that if the Aggregate Net Profit of CITIC Logistics for the two financial years ending 31 December 2010 exceeds HK\$180,000,000, the Consideration will be adjusted and increased proportionally to a maximum amount of HK\$1,594,800,000. The maximum Increased Amount of up to HK\$450,000,000 will be satisfied by the issue of Additional Convertible Notes to the Vendor. Save for the difference in the principal amount, the Additional Convertible Notes will be issued on the terms and conditions identical to the Convertible Notes.

The Conversion Price of the Additional Convertible Notes is HK\$0.12 per Conversion Share. Upon full exercise of the conversion rights attaching to the Additional Convertible Notes in the maximum principal amount of HK\$450,000,000, an additional 3,750,000,000 Conversion Shares will be issued by the Company.

The noteholder's right to convert the Convertible Notes can be exercised at any time within the Conversion Period provided that no conversion right shall be exercised if it will result in (a) a change in control (as defined in the Takeovers Code); or (b) insufficient public float under the Listing Rules.

Pursuant to the Agreement, the Purchaser had paid HK\$5,000,000 being the Earnest Money to the Escrow Agent. The Earnest Money does not constitute any part of the Consideration and will be released to the Vendor in the event that the Purchaser fails to proceed to Completion notwithstanding that all the Conditions Precedent have been fulfilled. The Earnest Money will be returned to the Purchaser (i) on Completion or (ii) if Completion fails to take place because of any one of the Conditions Precedent is not fulfilled before the Long Stop Date; or (iii) Completion fails to take place for any reasons other than the Purchaser not proceeding to Completion as aforesaid; or (iv) if the Agreement is otherwise terminated.

Completion is subject to the fulfilment or waiver of certain conditions precedent as set out in the section headed "Conditions Precedent of the Agreement" below.

LISTING RULES IMPLICATION

As certain of the applicable percentage ratios prescribed under Rule 14.07 of the Listing Rules exceed 100%, the Transaction constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the Shareholders' approval at the SGM.

A circular containing, amongst others, (i) further details of the Transaction, the issue of the Consideration Shares, the Convertible Notes, the Conversion Shares; and (ii) a notice of SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

UNUSUAL PRICE/TURNOVER MOVEMENTS

On 11 September 2009, the Board has noted the increase in the trading price of the Shares and wishes to state that the Board is not aware of any reason for such increase.

Save and except the negotiation of the Transaction and the negotiation of an intended disposal of one of its direct wholly owned subsidiaries which is engaged in the manufacturing and trading of lighters and lighters related accessories, the Board also confirms that there are no negotiation or agreement relating to intended acquisitions or realization which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 am on 14 September 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 am on 24 September 2009.

THE AGREEMENT

Date

13 September 2009

Parties

Company : Sino-Tech International Holdings Limited

Purchaser : Top Victory Industries Limited

Vendor : Mr. Li Wei Min

As at the date of this announcement, Mr. Li is the sole beneficial owner of the entire issued share capital of CITIC Logistics. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Company and connected persons of the Company. Save and except for the entering into of the Transaction, the Vendor has not had any relationship with the Substantial Shareholders.

Assets to be Acquired

The Sale Shares represent the entire issued share capital of CITIC Logistics. Upon Completion, CITIC Logistics will become an indirectly wholly-owned subsidiary of the Company.

Consideration

The Consideration payable by the Purchaser to the Vendor for the Sale Shares is HK\$1,144,800,000, which shall be satisfied, on the Completion Date, in the following manner:

- (1) as to HK\$194,400,000 by the issue of the Consideration Shares at the Issue Price; and
- (2) as to HK\$950,400,000 by the issue of the Convertible Notes.

The Consideration of HK\$1,144,800,000 was arrived at after arm's length negotiation between the Company, the Purchaser and the Vendor, having regard to the following:–

- a) the consolidated net assets value (ex-dividend) of the Company as at 30 June 2009 being approximately HK\$419.2 million, or approximately HK\$0.11 per Share;
- b) the price of the Shares having been trading within the range of HK\$0.06 to HK\$0.415 over the past 12 months up to and including the Last Trading Day, with share price and volume having stayed below the Issue Price and the Conversion Price for most of the time until around May 2009; trading price and volume started to pick up in May 2009 despite the Company's clarification announcement dated 26 June 2009, and the Shares continued to be actively traded at prices well in excess of its audited net assets value per Share as at 31 December 2008;
- c) the unaudited net profit of CITIC Logistics for the 7 months ended 31 July 2009 being of approximately HK\$36 million; and
- d) the business prospect of CITIC Logistics and the Group being able to diversify into a prosperous industry with superior proven track record and steady income and cash flows.

In view of the above, the Board considers that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders taken as a whole.

Details of the Consideration Shares and the Convertible Notes are provided below under the section headed "The Consideration Shares, The Convertible Notes and The Conversion Shares".

Possible Adjustment of the Consideration

The Company and the Purchaser have undertaken to the Vendor that if the Aggregate Net Profit of CITIC Logistics exceeds HK\$180,000,000 for the two financial years ending 31 December 2010, the Consideration will be increased proportionally and calculated as follows:

$$A = 10 \times (B - \text{HK\$}180,000,000)$$

where A is the Increased Amount; and
B is the actual Aggregate Net Profit.

Provided that the maximum Consideration and the principal amount of the Additional Convertible Notes shall not exceed HK\$1,594,800,000 and HK\$450,000,000 respectively, the Increased Amount shall be satisfied by way of issue of the Additional Convertible Notes. The Parties mutually agreed that a multiple of 10 was reasonable having regard to the existing businesses and prospects of CITIC Logistics, and the share prices of 6 companies listed on the main board of the Stock Exchange in similar lines of businesses, which were trading at a range of approximately 5.3 to 748 times of historical price earnings multiple, with a median of approximately 11 times.

The Aggregate Net Profit is not to be considered as an anticipated level of future profits as it serves only as a benchmark, after arms-length negotiation among the Parties, for determining the Increased Amount.

The Board considers that the setting of the Increased Amount and thus the maximum Consideration would encourage the performance of CITIC Logistics which would be in the interests of the Company and the Shareholders as a whole.

Conditions Precedent of the Agreement

Pursuant to the Agreement, Completion shall be subject to and conditional upon the satisfaction in full or (at the sole and absolute discretion of the Purchaser) the waiver of the following conditions (except conditions (1), (2) and (5) which cannot be waived):–

- (1) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject only to conditions to which neither the Vendor nor the Purchaser may reasonably object) or agree to grant listing of and permission to deal in the Consideration Shares and the Conversion Shares;
- (2) approval by the Shareholders in relation to, amongst others, the Agreement and all transactions contemplated thereunder, the increase of authorised share capital of the Company, the issue of the Consideration Shares, the issue of the Convertible Notes and the issue of the Conversion Shares at the SGM;

- (3) the Purchaser is satisfied with the results of the due diligence review, including but not limited to the satisfaction of the legal, financial and business position and prospects of CITIC Logistics;
- (4) all necessary authorisations of all relevant governmental or regulatory authorities, agencies or bodies, or any other third party, required for the implementation of the Transaction being obtained and maintained;
- (5) the Company having complied with and to the satisfaction of the Stock Exchange and the SFC all requirements under the Listing Rules and/or the Takeovers Code in relation to the purchase of the Sale Shares and issue of the Consideration Shares and the Convertible Notes and other transactions contemplated under the Agreement;
- (6) it has not come to the attention of the Purchaser that the representations and warranties and undertakings of the Vendor under the Agreement being inaccurate and incorrect;
- (7) it has not come to the attention of the Vendor that the warranties given by the Company under the Agreement being inaccurate and incorrect; and
- (8) it has not come to the attention of the Purchaser or the Vendor that any material adverse changes or effect in respect of CITIC Logistic, the Purchaser or the Company has occurred or are likely to occur prior to the Completion Date.

If any of the above conditions has not been fulfilled or waived on or before the Long Stop Date, the Earnest Money shall be released to the Purchaser and the Agreement shall terminate whereupon no Party shall have any liability to any other Party save for antecedent breaches.

Pursuant to the Agreement, the Purchaser is entitled to conduct due diligence review on CITIC Logistics within one month from the date of the Agreement.

Earnest Money

Pursuant to the Agreement, the Purchaser had paid HK\$5,000,000 to the Escrow Agent as Earnest Money on the terms and subject to the conditions set out in the Escrow Letter. The Earnest Money does not form any part of the Consideration.

The Earnest Money will be returned to the Purchaser (i) on Completion or (ii) if Completion fails to take place because of any one of the Conditions Precedent is not fulfilled before the Long Stop Date; or (iii) Completion fails to take place for any reasons other than the Purchaser not proceeding to Completion; or (iv) if the Agreement is terminated.

The Earnest Money will be released to the Vendor if Completion fails to take place because the Purchaser has failed to proceed with the Completion notwithstanding that all the Condition Precedents have been fulfilled.

Completion of the SP Agreement

Completion shall take place on the Completion Date, whereupon the Purchaser will be the beneficial owner of the entire issued share capital of CITIC Logistics, and CITIC Logistics will become an indirect wholly-owned subsidiary of the Company.

As at the date of this Announcement, the Company has no intention to appoint or nominate the Vendor or his nominated persons as Directors or to change the composition of the Board.

THE CONSIDERATION SHARES, THE CONVERTIBLE NOTES AND THE CONVERSION SHARES

The Consideration Shares

The 1,620,000,000 Consideration Shares to be allotted and issued at the Issue Price represent:

- (i) approximately 42.7% of the existing share capital of the Company;
- (ii) approximately 29.9% of the issued share capital of the Company as enlarged by allotment and issue of the Consideration Shares; and
- (iii) approximately 12.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares, assuming full conversion of the Convertible Notes in the amount of HK\$950,400,000 and the Conversion Shares being allotted and issued at the Conversion Price.

The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects amongst themselves and with all other Shares and be entitled to dividends and other rights carried by the Shares. There are no restrictions on the subsequent sale of the Consideration Shares.

The Convertible Notes and the Conversion Shares

The Convertible Notes will be issued in the principal amount of HK\$950,400,000. Subject to the Aggregate Net Profit of CITIC Logistics exceeding HK\$180,000,000, the Additional Convertible Notes will be issued in accordance with the formula as set out above subject to a maximum of HK\$450,000,000. Therefore, assuming that the Additional Convertible Notes in the maximum principal amount of HK\$450,000,000 are issued, the aggregate principal amount of the Convertible Notes and the Additional Convertible Notes will be HK\$1,400,400,000. Save for the difference in the principal amount, the Additional Convertible Notes will be issued on terms and conditions identical to the Convertible Notes.

The 11,670,000,000 Conversion Shares to be allotted and issued at the Conversion Price, assuming full conversion of the Convertible Notes and the Additional Convertible Notes in the aggregate principal amount of HK\$1,400,400,000, represent:–

- (i) approximately 307.3% of the existing issued share capital of the Company;
- (ii) approximately 215.4% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares;
- (iii) approximately 75.4% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares; and
- (iv) approximately 68.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares provided that the Consideration Shares and the Conversion Shares are allotted and issued at the Issue Price and the Conversion Price respectively. The Conversion Shares, when allotted and issued, shall rank pari passu in all respects amongst themselves and with all other Shares then in issue and be entitled to dividends and other rights carried by the Shares.

There are no restrictions on the subsequent sale of the Conversion Shares.

Issue Price of the Consideration Shares and the Conversion Price of the Conversion Shares

The Issue Price and Conversion Price of HK\$0.12 per Consideration Share and Conversion Share represents:

- (i) a premium of approximately 9.1% to the unaudited net assets value attributable to equity Shareholders of approximately HK\$0.11 per Share as at 30 June 2009;
- (ii) a discount of approximately 68.4% to the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 63.7% to the average closing price of approximately HK\$0.331 per Share based on the average closing price as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 57.6% to the average closing price of approximately HK\$0.283 per Share based on the average closing price as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- (v) a discount of approximately 17.8% to the average closing price of approximately HK\$0.146 per Share based on the average closing price as quoted on the Stock Exchange for the past 12 months up to and including the Last Trading Day.

The Issue Price and Conversion Price was determined after arms-length negotiations among the Purchaser, the Company and the Vendor, without regard to the recent surge in share price and volume, but particularly having regard to the unaudited net assets value per Share of approximately HK0.11 as at 30 June 2009. The Board noted that the price of the Shares had been trading within the range of HK\$0.06 to HK\$0.415 over the past 12 months up to and including the Last Trading Day, with share price and volume having stayed below the Issue Price and the Conversion Price for most of the time until around May 2009. Trading price and volume started to pick up in May 2009 despite the Company's clarification announcement of 26 June 2009, and the Shares continued to be actively traded at prices well in excess of its audited net assets value per share as at 31 December 2008. The Board also noted that the closing share price of the Last Trading Day at HK\$0.38 represents the price earnings multiple of approximately 223.5 times based on the earning per Share as at 31 December 2008, and at the Issue Price and Conversion Price of HK\$0.12, the corresponding price earnings multiple is approximately 70.6 times. The Board considers that the Issue Price and Conversion Price are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Further information relating to the determination of the Issue Price and the Conversion Price shall be disclosed in the circular relating to the Transaction to be despatched to the Shareholders.

Principal Terms of the Convertible Notes

Issuer	:	The Company
Subscribers	:	The Vendor
Principal Amount	:	HK\$950,400,000
Transferability	:	The Convertible Notes may be assigned and transferred (whether in whole or in part(s)) by noteholder serving a written notification to the Company and the principal amount to be transferred or assigned is at least HK\$500,000 or integral multiples of HK\$500,000.
Maturity Date	:	The Convertible Notes shall mature on the date falling the expiry of five (5) years from the date of issue of the Convertible Note. All outstanding Convertible Notes should be redeemed on the Maturity Date.
Interest	:	The Convertible Note will not bear any interest.

- Conversion Period : Subject to early redemption or the occurrence of an event of default (as defined in the Convertible Notes), the conversion period shall commence on the date of issue of the Convertible Notes and end on the Maturity Date.
- Conversion Price : HK\$0.12 per Conversion Share.
- Conversion Prerequisites : The conversion rights attaching to the Convertible Notes can be exercised at any time within the Conversion Period provided that no conversion right shall be exercised if it will result in (a) a change in control (as defined in the Takeovers Code); or (b) insufficient public float under the Listing Rules.
- Event of Default : If an event of default (as defined in the terms and conditions of the Convertible Notes) occurs, the noteholder may elect for redemption of the Convertible Notes.
- Early Redemption : 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.

Application for Listing

No application will be made by the Company for the listing of the Convertible Notes. Application will be made by the Company for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares.

The Consideration Shares and the Conversion Shares will be allotted and issued pursuant to a specific mandate to be sought at the SGM.

EFFECTS ON SHAREHOLDING STRUCTURE AFTER COMPLETION

The existing shareholding structure of the Company and the shareholding structure of the Company upon the allotment and issue of the Consideration Shares, the Conversion Shares upon conversion of the Convertible Notes and the maximum principal amount of the Additional Convertible Notes are as follows:

	Existing Shareholding Structure		Upon issue of Consideration Shares		Upon issue of Consideration Shares and full conversion of Convertible Notes (Note 1)		Upon issue of Consideration Shares and full conversion of Convertible Notes and maximum principal amount of Additional Convertible Notes (Note 1)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	Vendor and parties acting in concert with it	–	–	1,620,000,000	29.90%	9,540,000,000	71.53%	13,290,000,000
Smart Number Investments Limited (Note 2)	608,400,000	16.02%	608,400,000	11.23%	608,400,000	4.56%	608,400,000	3.56%
Forever Gain Profits Limited (Note 3)	580,000,000	15.27%	580,000,000	10.71%	580,000,000	4.35%	580,000,000	3.39%
Mr. Kwong Chi Shing Savio (Note 4)	239,980,000	6.32%	239,980,000	4.43%	239,980,000	1.80%	239,980,000	1.40%
Public Shareholders	2,369,120,100	62.39%	2,369,120,100	43.73%	2,369,120,100	17.76%	2,369,120,100	13.87%
Total	3,797,500,100	100.00%	5,417,500,100	100.00%	13,337,500,100	100.00%	17,087,500,100	100.00%

Notes:

- (1) For illustration purpose only as the Vendor and parties acting in concert with it or successors of the noteholders individually will not directly or indirectly control or be interested in Shares of 30% or more in the Company pursuant to the terms of the Agreement.
- (2) Smart Number Investments Limited is a company incorporated in the BVI. The entire share capital of Smart Number is beneficially owned as to 66.67% by Ms. Lam Pik Wah and as to 33.33% by Mr. Lam Hung Kit.
- (3) According to the Disclosure of Interests filing, Forever Gain Profits Limited is wholly owned by Mr. Wan Bing Hung.
- (4) According to the Disclosure of Interests filing, Mr. Kwong Chi Shing Savio is beneficially interested in 239,980,000 Shares.

INFORMATION ON THE COMPANY AND THE PURCHASER

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, inter alia, manufacturing and trading of electronic and electrical parts and components, and manufacturing and trading of cigarette lighters and lighter parts.

The Company is currently in negotiation with a counter-party with a view to dispose of one of its direct wholly owned subsidiaries which is engaged in the business of manufacturing and trading of cigarette lighters and lighter parts (the “Proposed Disposal”). The assets of this subsidiary do not represent a substantial part of the Company’s net assets as at 30 June 2009. As the Company is still in negotiation with the counter-party with respect to the Proposed Disposal, the Company may or may not proceed with the Proposed Disposal.

Subject to the completion of the Proposed Disposal, the principal activities of the Group shall remain unchanged and, upon the Completion, be extended to the provision of logistics services.

Save and except for the Proposed Disposal and the entering into of the Transaction, the Group has no intention to change other principal business activities of its subsidiaries.

The Purchaser is a company incorporated in BVI with limited liability, it is a direct wholly-owned subsidiary of the Company and is principally engaged in the business of investment holding.

INFORMATION RELATING TO CITIC LOGISTICS

CITIC Logistics was established by Mr. Li in Hong Kong in 2007. Based on the information provided by the Vendor, Mr. Li is also the Chief Executive Officer of 中信物流有限公司 (CITIC Logistic Company Limited), a company incorporated in the PRC. CITIC Logistics is principally engaged in logistics services by providing the whole solutions and services for supply chain management.

In 2008, CITIC Logistics successfully obtained the exclusive right of logistics services from a global energy and petrochemical company (the “Energy Company”), to provide transportation of petroleum products (including asphalt) for around 200 locations in Hong Kong. According to the contract, service terms of CITIC Logistics will be for a period of at least 3 years, and may be extended for a maximum period of 2 years at the sole discretion of the Energy Company.

Based on the information provided by the Vendor, in December 2008, CITIC Logistics started to cooperate with 中信國華國際工程承包公司 (CITIC Guohua International Construction Contracting Company Limited) to provide shipping service to transport construction materials from China to Angola, Africa for a government key project. It is expected that such project in Angola will initially last for 4 years, and more than 1,000,000 tones of construction materials will be transported by CITIC Logistics every year.

FINANCIAL INFORMATION ON CITIC LOGISTICS

The following table is the summary of the financial information of CITIC Logistics prepared in accordance with HKGAAP.

	From 8 May 2007 (date of establishment) to 31 December 2008 HK\$'000 (approx.) (unaudited)	For the seven months ended 31 July 2009 HK\$'000 (approx.) (unaudited)
Turnover	–	94,699
Net Profit/(Loss) before taxation	(742)	36,044
Net Profit/(Loss) after taxation	(742)	36,044
Net assets (liabilities)	(732)	35,312

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company has been looking for opportunities to diversify its income and asset base. The acquisition represents an excellent opportunity for the Company to enter into a promising industry.

Taking into account the benefits of the Transaction, the Board is of the view that the terms of the Agreement are fair and reasonable and on normal commercial terms, and the Transaction is in the interests of the Company and the Shareholders as a whole.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$120,000,000 divided into 12,000,000,000 Shares, of which 3,797,500,100 Shares have been issued. In order to accommodate the future expansion and growth of the Group as well as to accommodate the issue of the Consideration Shares and the Conversion Shares, the Board proposes to increase the authorised share capital of the Company from HK\$120,000,000 divided into 12,000,000,000 Shares to HK\$300,000,000 by creation of an additional of 18,000,000,000 new ordinary Shares.

LISTING RULES IMPLICATION

As certain of the applicable percentage ratios prescribed under Rule 14.07 of the Listing Rules exceed 100%, the Transaction constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the Shareholders' approval at the SGM. To the best of the Directors' knowledge and information, and having made all reasonable enquiries, no Shareholder is required to abstain from voting at the SGM.

A circular containing, amongst others, (i) further details of the Transaction, the issue of the Consideration Shares, the Convertible Notes, the Conversion Shares; and (ii) a notice of SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

UNUSUAL PRICE/TURNOVER MOVEMENTS

On 11 September 2009, the Board has noted the increase in the trading price of the Shares and wishes to state that the Board is not aware of any reason for such increase.

Save and except for the negotiation of the Transaction and the negotiation of an intended disposal of one of its direct wholly owned subsidiaries which is engaged in the manufacturing and trading of lighters and lighters related accessories, the Board confirms that there are no negotiation or agreement relating to intended acquisitions or realization which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 am on 14 September 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 am on 24 September 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Additional Convertible Notes”	Convertible Notes in the principal amount equivalent to the Increased Amount but not exceeding HK\$450,000,000 to be issued if the Aggregate Net Profit exceeds HK\$180,000,000
“Agreement”	the sale and purchase agreement dated 13 September 2009 and entered into between the Company, the Purchaser and the Vendor in respect of the sale and purchase of the entire issued share capital of CITIC Logistics
“Aggregate Net Profit”	the audited aggregate net profit after tax of CITIC Logistics for the two financial years ending 31 December 2010
“Board”	the board of Directors
“business day”	a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or public holiday or days on which a typhoon signal no. 8 or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.)
“BVI”	the British Virgin Islands
“CITIC Logistics”	CITIC Logistics (International) Company Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is beneficially owned by the Vendor
“Company”	Sino-Tech International Holdings Limited, a company incorporated in Bermuda with limited liabilities and the securities of which are listed on the Stock Exchange
“Completion”	completion of the Transaction
“Completion Date”	the date on which Completion takes place, being a date falling within five Business Day after the fulfilment of the Conditions Precedent
“Conditions Precedent”	the conditions precedent for the Completion as set out in the Agreement

“connected person”	has the meaning given to it under the Listing Rules
“Consideration”	the consideration for the Sale Shares
“Consideration Shares”	1,620,000,000 new Shares to be allotted and issued at the Issue Price by the Company to the Vendor to satisfy part of the Consideration upon Completion
“Conversion Period”	subject to early redemption or the occurrence of an event of default (as defined in the Convertible Notes), the period commencing from the date of issue of the Convertible Notes and ending on the Maturity Date
“Conversion Price”	HK\$0.12 being the price at which the principal amount of the Convertible Notes are converted into Conversion Shares
“Conversion Shares”	new Shares to be allotted and issued following the exercise by a noteholder of his rights and at the Conversion Price under the Convertible Notes and Additional Convertible Notes
“Convertible Notes”	the convertible notes to be issued by the Company to the Vendor to satisfy part of the Consideration
“Director(s)”	the director(s) of the Company
“Earnest Money”	a sum of HK\$5,000,000 which had been paid by the Purchaser to the Escrow Agent subject to the terms and conditions set out in the Escrow Letter
“Escrow Agent”	the agent holding the Earnest Money in escrow
“Escrow Letter”	the letter setting out the terms and conditions on which the Earnest Money will be governed
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKGAAAP”	the accounting principles generally accepted in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Increased Amount”	the amount of Consideration proportionally increased in accordance with the terms and conditions under the Agreement as a result of the Aggregate Net Profit of CITIC Logistics exceeding HK\$180,000,000
“Issue Price”	HK\$0.12 being the price at which the Consideration Shares are to be allotted and issued by the Company to the Vendor
“Last Trading Day”	11 September 2009, being the last trading date immediately before the publication of this announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 January 2010 or such other date as may be agreed between the Parties in writing
“Maturity Date”	a day falling on the fifth anniversary of the date of issue of Convertible Notes
“Parties”	the parties to the Agreement, and “Party” shall be construed accordingly
“percentage ratio”	has the meaning given to it under the Listing Rules
“Purchaser”	Top Victory Industries Limited, a company incorporated in BVI and a wholly-owned subsidiary of the Company
“Sale Shares”	10,000 shares, representing the entire issued share capital of CITIC Logistics to be sold by the Vendor to the Purchaser pursuant to the Agreement
“SFC”	Securities and Futures Commission
“SGM”	the special general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Agreement, the Transaction, increase of the authorised share capital of the Company, the allotment and issue of the Consideration Shares, and the Conversion Shares
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the capital of the Company and a “Share” shall be construed accordingly

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	Smart Number Investments Limited and Forever Gain Profits Limited which holds approximately 16.02% and 15.27% of the Shares respectively as at the date of this announcement
“Takeovers Code”	Codes on Takeovers and Mergers and Share Repurchases
“Transaction”	the transaction contemplated under the Agreement, being the sale and purchase of the Sale Shares
“Vendor” or “Mr. Li”	Mr. Li Wei Min, the sole beneficial owner of the entire issued share capital of CITIC Logistics
“very substantial acquisition”	has the meaning given to it under the Listing Rules
“%”	per cent

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

Hong Kong, 23 September 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.