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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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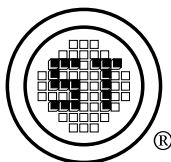
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This circular is for information purposes only and does not constitute an invitation to offer to acquire, purchase or subscribe for securities in Sino-Tech International Holdings Limited.

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sino-Tech International Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

### DISCLOSEABLE TRANSACTION

### INVESTMENT IN VINAMINCO VIETNAM MINERAL EXPLOITING – PROCESSING GROUP LIMITED COMPANY

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Acquisition”	the proposed acquisition of 80% interest in Trung Hai by Top Victory from Mr. Li;
“Announcement”	the announcement of the Company dated 16th August, 2007 relating to the Acquisition;
“Board”	the board of Directors;
“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;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date”	31st August, 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining and collation of relevant information contained in this circular;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mau Lam and Phu Nhuam 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 Latest Practicable Date;
“Share(s)”	share(s) of a nominal value of HK\$0.10 each in the capital of the Company;

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## DEFINITIONS

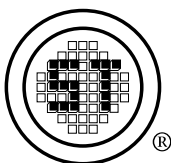
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“Share Transfer Agreement”	the share transfer agreement dated 17th July, 2007 entered into between Mr. Li and Top Victory in relation to the proposed acquisition by Top Victory of 80% interest in Trung Hai, as supplemented by supplemental agreements dated 23rd July, 2007 and 9th August, 2007 entered into between the same parties;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“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 Latest Practicable Date;
“US\$”	United States dollars, the lawful currency of United States of America;
“Vietnam Mineral”	Viet Nam Aditives Mine Joint Stock Company, a company incorporated under the laws of Vietnam and which is owned by third party independent of the Company and its connected persons; and
“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.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Lam Yat Keung  
Ms. Lam Pik Wah  
Mr. Lam Hung Kit

*Independent non-executive Directors*

Mr. Lo Wah Wai  
Mr. Pai Te Tsun  
Mr. Ho Chi Fai

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head Office and principal place  
of business:*

26/F, CCT Telecom Building  
11 Wo Shing Street, Fotan,  
Shatin, N.T.  
Hong Kong

5th September, 2007

*To the Shareholders*

Dear Sir or Madam,

### DISCLOSEABLE TRANSACTION

### INVESTMENT IN VINAMINCO VIETNAM MINERAL EXPLOITING – PROCESSING GROUP LIMITED COMPANY

The Company announced in the Announcement that 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. The purpose of this circular is to provide you with further information on the Acquisition.

\* for identification purpose only

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## LETTER FROM THE BOARD

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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 of the Directors' knowledge, information and belief having made all reasonable enquiries, 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;
- (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; and
- (d) a premium of approximately 15.21% to the closing price per Share of HK\$4.34 as quoted on the Stock Exchange as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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The 42,400,000 Consideration Shares represent approximately 11.17% of the total issued share capital of the Company as at the Latest Practicable Date 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 Latest Practicable Date 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. It is expected that there will be no change in control in the Company solely as a result of an issue of 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 and such amount has been paid in full. 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

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## LETTER FROM THE BOARD

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- (e) the obtaining of an opinion in respect of legal implications regarding foreign companies to invest in a Vietnamese company.

As at the Latest Practicable Date, conditions (a) and (e) above have been fulfilled.

### 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. At the Latest Practicable Date, Trung Hai does not have any investment in subsidiaries or associates other than Vinaminco.

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.



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## LETTER FROM THE BOARD

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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 licence; and
- (b) Mineral processing licence.

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. As such, the effect on earnings of the Group will be reflected in “Share of profits from associated companies” in the consolidated income statement of the Group. The Company’s share of assets will be reflected in the “Interest in associated companies” in the consolidated balance sheet of the Group. As a result of completion of the Acquisition, the Company expects that the consolidated total asset of the Group will increase by approximately HK\$212 million and there will not be any effect on liabilities of the Group. Once the sales of refined chromite commence, the Company expects the Group’s earnings will increase.

### **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 and, if possible, other exploitation business which will enable the Group to broaden its income source thereby increasing shareholders’ wealth.

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## LETTER FROM THE BOARD

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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 Latest Practicable Date		Upon completion of the Acquisition	
	No. of Shares	Percentage	No. of Shares	Percentage
Smart Number ( <i>Note 1</i> )	60,500,000	15.93%	60,500,000	14.33%
Forever Gain ( <i>Note 2</i> )	58,000,000	15.27%	58,000,000	13.74%
Mr. Li	–	–	42,400,000	10.04%
Public	261,250,000	68.80%	261,250,000	61.89%
Total:	<u>379,750,000</u>	<u>100%</u>	<u>422,150,000</u>	<u>100%</u>

*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

Your attention is drawn to the appendix to this circular.

Yours faithfully,  
For and on behalf of  
**Sino-Tech International Holdings Limited**  
**Lam Yat Keung**  
*President*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. SHARE CAPITAL OF THE COMPANY

The authorised and issued share capital of the Company as at the Latest Practicable Date on completion of the Share Transfer Agreement were and will be as follows:

### Shares

<i>Authorised</i>		<i>HK\$</i>
800,000,000	Shares	80,000,000
<i>Issued and to be issued, fully paid or credited as fully paid</i>		
379,750,000	Shares in issue as at the Latest Practicable Date	37,975,000
42,400,000	Consideration Shares to be issued	4,240,000
<u>422,150,000</u>	Shares	<u>42,215,000</u>

The Consideration Shares, when issued and allotted, will rank equally in all respects among themselves and with the Shares in issue on the date of issue and allotment of the Consideration Shares, including but not limited to the right to receive all dividends, distributions or entitlements declared, paid or made in respect of the Shares, the record date for which shall fall on or after the date of issue and allotment of the Consideration Shares.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors' interests

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) which are required to be notified and had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

#### Long Position in the Shares of the Company

Name of directors	Capacity	Number of issued ordinary Shares held	Percentage of shareholding (%)
Ms. Lam Pik Wah	Held by controlled corporation	60,500,000 ( <i>Note 1</i> )	15.93
Mr. Lam Hung Kit	Held by controlled corporation	60,500,000 ( <i>Note 1</i> )	15.93
Mr. Lam Yat Keung	Held by family	60,500,000 ( <i>Note 2</i> )	15.93

*Note 1:* The 60,500,000 Shares in the Company are owned by Smart Number Investments Limited ("Smart Number"), which is beneficially owned as to 66.67% by Ms Lam Pik Wah and as to 33.33% by Mr. Lam Hung Kit.

*Note 2:* These ordinary Shares are owned by Smart Number, a controlled corporation of Ms. Lam Pik Wah, the wife of Mr. Lam Yat Keung.

As at the Latest Practicable Date saved as disclosed above, none of the Directors or the chief executive of the Company had any interest in the equity or debt securities of the Company or any associated corporations (within the meaning of Part XV of the SFO) which is required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which is required pursuant to section 352 of the SFO to be entered in the register referred to therein; or which is required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

**(b) Substantial Shareholders' interest**

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following parties (other than the Directors or chief executive of the Company), had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

**Long Position in the Shares of the Company**

Name of shareholders	Capacity	Number of issued ordinary Shares held	Percentage of shareholding (%)
Smart Number Investments Limited ( <i>Note 1</i> )	Beneficial owner	60,500,000	15.93
Forever Gain Profits Limited ( <i>Note 2</i> )	Beneficial owner	58,000,000	15.27
Mr. Wan Bing Hung ( <i>Note 2</i> )	Held by controlled Corporation	58,000,000	15.27
Mr. Kwong Chi Shing Savio ( <i>Note 3</i> )	Beneficial owner	23,998,000	6.32

*Note 1:* The above interests in the name of Smart Number was also disclosed as interests of certain directors under the heading "Directors' Interests". Ms. Lam Pik Wah and Mr. Lam Hung Kit are directors of Smart Number.

*Note 2:* According to the Disclosure of Interests filing dated 17 March 2004, Forever Gain Profits Limited is wholly owned by Mr. Wan Bing Hung.

*Note 3:* According to the Disclosure of Interests filing dated 16 May 2006, Mr. Kwong Chi Shing Savio is beneficially interested in 6.32% of the Shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any other person (other than the Directors or the chief executive of the Company) who had an interest or short position in the shares or underlying share (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or any options in respect of such capital.

**4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensations (other than statutory compensation)).

**5. LITIGATION**

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and there is no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

**6. DIRECTORS' INTERESTS**

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**7. MISCELLANEOUS**

- (a) The registered office of the Company is situated at Clarendon House, Church Street, Hamilton HM11, Bermuda.
- (b) The head office and principal place of business of the Company is at Room 2610, CCT Telecom Building, 11 Wo Shing Street, Fotan, Shatin, New Territories, Hong Kong.
- (c) The Hong Kong branch share registrars and transfer office of the Company is Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The qualified accountant and secretary of the Company is Ms. Yu Miu Yee, Iris, an associate member of The Institute of Chartered Secretaries and Administrators (ACIS), The Hong Kong Institute of Chartered Secretaries (ACS), The Hong Kong Institute of Certified Public Accountants (AHKICPA) and a fellow member of The Association of Chartered Certified Accountants (FCCA).
- (e) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.