SINO-TECH INTERNATIONAL HOLDINGS LIMITED
泰豐國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

The board of directors (the "Board") of Sino-Tech International Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2011.

RESULTS OVERVIEW

During the six months ended 30 June 2011 (the "Reporting Period"), the Group recorded a turnover of HK$425.5 million, representing an increase of 24.5% compared with HK$341.8 million for the six months ended 30 June 2010 (the "Corresponding Period"). The increase in turnover was mainly due to higher sales of electronic products.

Net loss for the Reporting Period was reduced to HK$49.9 million from HK$94.7 million in the Corresponding Period, mainly due to increases in the fair value of investment property, and decreases in the amortisation of other intangible assets and imputed interest on convertible notes. The loss for the period was mainly due to the amortisation of other intangible assets, the imputed interest on convertible notes and the loss on redemption of convertible notes.

The amortisation of other intangible assets and the imputed interest on convertible notes arise as a result of accounting treatment under the provisions of the applicable accounting standards and are of non-cash nature. Before these non-cash items and the loss on redemption of convertible notes, the Group made a marginal loss of HK$1.3 million in the Reporting Period, as compared with a profit of HK$1.9 million in the Corresponding Period.

* *For identification purpose only*

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Turnover	**425,468**	341,789
Gross profit	**3,865**	28,319
Loss for the period	**(49,920)**	(94,690)
Amortisation of other intangible assets	**25,547**	71,351
Imputed interest on convertible notes	**14,926**	25,256
Loss on redemption of convertible notes	**8,106**	–
Net (loss) profit for the period before amortisation of other intangible assets, imputed interest on convertible notes and loss on redemption of convertible notes	**(1,341)**	1,917

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		Six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Turnover	*3*	**425,468**	341,789
Cost of sales		**(421,603)**	(313,470)
Gross profit		**3,865**	28,319
Other income		**1,045**	961
Distribution costs		**(3,892)**	(2,943)
Administrative expenses		**(26,539)**	(22,729)
Amortisation of other intangible assets		**(25,547)**	(71,351)
Loss on redemption of convertible notes		**(8,106)**	–
Gain arising on change in fair value of investment property	*9*	**30,000**	–
Finance costs	*4*	**(15,696)**	(25,485)
Loss before taxation	*5*	**(44,870)**	(93,228)
Income tax	*6*	**(5,050)**	(1,462)
Loss for the period attributable to owners of the Company		**(49,920)**	(94,690)
Loss per share (in Hong Kong cents):	*8*		
Basic		**(0.51)**	(1.51)
Diluted		**(0.51)**	(1.51)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the period	**(49,920)**	(94,690)
Other comprehensive income (expenses)		
Exchange differences arising on translation of foreign operations	**141**	(26)
Other comprehensive income (expenses) for the period	**141**	(26)
Total comprehensive expenses for the period attributable to owners of the Company	**(49,779)**	(94,716)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Note	**30 June 2011 (Unaudited)** *HK$'000*	31 December 2010 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment		**159,774**	162,945
Investment property	*9*	**330,000**	300,000
Goodwill		**657,895**	657,895
Other intangible assets		**92,453**	118,000
Deposits for acquisition of property, plant and equipment		**33,745**	21,202
		1,273,867	1,260,042
Current assets			
Deposits paid for potential investments		**26,000**	64,500
Inventories		**138,039**	197,052
Trade and bills receivables	*10*	**280,827**	272,219
Prepayments, deposits and other receivables		**24,420**	87,024
Deposits in other financial institutions		**446**	446
Tax recoverable		**2,474**	1,627
Pledged bank balances		**4,200**	–
Bank balances and cash		**53,838**	30,767
		530,244	653,635
Current liabilities			
Trade and bills payables	*11*	**139,036**	172,707
Other payables and accruals		**17,290**	30,105
Amount due to a director		**–**	471
Bank borrowings – secured		**157,836**	162,593
Obligations under finance leases		**322**	314
		314,484	366,190
Net current assets		**215,760**	287,445
Total assets less current liabilities		**1,489,627**	1,547,487

	Note	30 June 2011 (Unaudited) *HK$'000*	31 December 2010 (Audited) *HK$'000*
Non-current liabilities			
Obligations under finance leases		**99**	262
Convertible notes		**348,548**	498,416
Employee benefits		**150**	150
Deferred tax liabilities		**16,728**	11,678
		365,525	510,506
Net assets		**1,124,102**	1,036,981
Capital and reserves			
Share capital		**101,828**	86,828
Reserves		**1,022,274**	950,153
		1,124,102	1,036,981

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

1. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

The condensed consolidated interim financial information is presented in Hong Kong dollars ("HK$"), unless otherwise stated and has been approved for issue by the Board on 25 August 2011.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for investment property and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies used in the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except as described below.

In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("Int") ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]

[1] *Effective for annual periods beginning on or after 1 July 2011*
[2] *Effective for annual periods beginning on or after 1 January 2012*
[3] *Effective for annual periods beginning on or after 1 July 2012*
[4] *Effective for annual periods beginning on or after 1 January 2013*

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at fair value at the end of subsequent accounting periods.

The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. To date, the Group has not entered into transactions involving transfers of financial assets. However, if the Group does enter into any such transactions in the future, disclosures regarding those transfers may be affected.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. The Group's operating and reportable segments are as follows:

(a) Electronic products segment engages in the manufacture and trading of electronic and electrical parts and components.

(b) Logistics services segment engages in providing shipping and transportation logistics services.

(c) Property investment segment engages in properties investments.

The following is an analysis of the Group's turnover and results by reportable segments:

For the six months ended 30 June 2011

	Electronic products *HK$'000*	**Logistics services** *HK$'000*	**Property investment** *HK$'000*	**Total** *HK$'000*
Turnover	**415,034**	**10,434**	**–**	**425,468**
Other income	**237**	**403**	**–**	**640**
Total segment revenue	**415,271**	**10,837**	**–**	**426,108**
Contribution to segment results	**(12,966)**	**(2,004)**	**28,683**	**13,713**
Amortisation of other intangible assets	**–**	**(25,547)**	**–**	**(25,547)**
Segment results	**(12,966)**	**(27,551)**	**28,683**	**(11,834)**
Unallocated corporate income				**405**
Unallocated corporate expenses				**(18,502)**
Finance costs				**(14,939)**
Loss before taxation				**(44,870)**

For the six months ended 30 June 2010

	Electronic products *HK$'000*	Logistics services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Turnover	325,425	16,364	–	341,789
Other income	783	164	–	947
Total segment revenue	326,208	16,528	–	342,736
Contribution to segment results	9,898	825	(430)	10,293
Amortisation of other intangible assets	–	(71,351)	–	(71,351)
Segment results	9,898	(70,526)	(430)	(61,058)
Unallocated corporate income				14
Unallocated corporate expenses				(6,897)
Finance costs				(25,287)
Loss before taxation				(93,228)

All of the turnover reported above is from external customers.

Segment results represent the (loss) profit made by each segment without allocation of corporate income and expenses, central administration cost, loss on redemption of convertible notes and finance costs (except finance costs on borrowings solely obtained to finance the acquisition of investment property). This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's assets by reportable segments:

	30 June 2011 *HK$'000*	31 December 2010 *HK$'000*
Electronic products	**503,881**	546,851
Logistics services	**856,967**	879,428
Property investment	**330,184**	300,156
Unallocated corporate assets	**113,079**	187,242
Total assets	**1,804,111**	1,913,677

For the purposes of monitoring segment performances and allocating resources among segments, segment assets do not include advances, deposits paid for potential investments, deposits in other financial institutions, tax recoverable, pledged bank balances, bank balances and cash and assets used jointly by reportable segments.

4. FINANCE COSTS

	Six months ended 30 June	
	2011 *HK$'000*	2010 *HK$'000*
Borrowing costs on:		
– bank borrowings not wholly repayable within five years	**757**	198
– obligations under finance leases	**13**	31
Imputed interest on convertible notes	**14,926**	25,256
	15,696	25,485

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging (crediting):

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**20,483**	15,593
Loss (gain) on disposal of property, plant and equipment	**115**	(49)
Bank interest income	**(32)**	(21)
Interest income from a related company	**(157)**	–
Interest income from advances	**(353)**	–
Net exchange gain	**(411)**	(776)

6. INCOME TAX

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Current tax		
– Hong Kong Profits Tax	**–**	1,462
Deferred tax	**5,050**	–
	5,050	1,462

The income tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

No provision for Hong Kong Profits Tax has been provided as the Group did not derive any assessable profits in Hong Kong during the period (six months ended 30 June 2010: 16.5%).

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

8. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company of HK$49,920,000 (six months ended 30 June 2010: HK$94,690,000) and the weighted average number of 9,753,508,000 (six months ended 30 June 2010: 6,278,432,000) ordinary shares in issue during the period.

The calculation of diluted loss per share for the six months ended 30 June 2011 did not assume the exercise of the Company's share options as the exercise price of the share options was higher than the average market price for shares. The calculation of diluted loss per share for the six months ended 30 June 2011 did not assume the conversion of the Company's outstanding convertible notes as the conversion of convertible notes would result in a decrease in loss per share.

The calculation of diluted loss per share for the six months ended 30 June 2010 did not assume the conversion of the Company's outstanding convertible notes as the conversion of convertible notes would result in a decrease in loss per share.

9. INVESTMENT PROPERTY

The fair value of the Group's investment property at 30 June 2011 has been arrived at on the basis of valuation carried out at that date by Savills Valuation and Professional Services Limited ("Savills"), an independent qualified professional valuer not connected with the Group. Savills has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions. The revaluation gave rise to a fair value gain of HK$30,000,000 (six months ended 30 June 2010: Nil) which has been recognised in the condensed consolidated income statement.

As at 30 June 2011, the Group's investment property has been pledged to secure bank borrowings of the Group.

10. TRADE AND BILLS RECEIVABLES

The Group allows an average credit period of 30 to 180 days to its trade customers.

The following is an aged analysis of trade and bills receivables net of impairment presented based on the due date at the end of the reporting period:

	30 June 2011 *HK$'000*	31 December 2010 *HK$'000*
Within 3 months	**230,139**	224,353
4 – 6 months	**476**	204
7 – 12 months	**2,756**	47,662
Over 12 months	**47,456**	–
	280,827	272,219

11. **TRADE AND BILLS PAYABLES**

The following is an aged analysis of trade and bills payables presented based on the due date at the end of the reporting period:

	30 June 2011 *HK$'000*	31 December 2010 *HK$'000*
Within 3 months	**127,434**	169,673
4 – 6 months	**5,590**	1,423
7 – 12 months	**4,580**	1
Over 12 months	**1,432**	1,610
	139,036	172,707

12. **EVENT AFTER THE REPORTING PERIOD**

On 21 July 2011, convertible notes of the Company with aggregate principal amount of HK$144,000,000 were converted into 1,200,000,000 ordinary shares of HK$0.01 each at a conversion price of HK$0.12 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The logistics services segment reported revenue of HK$10.4 million and a loss of HK$2.0 million before the amortisation of other intangible assets in the Reporting Period. These compared with revenue of HK$16.4 million and a profit of HK$0.8 million before the amortisation of other intangible assets in the Corresponding Period, which was helped by an ad hoc project.

Shipping services for the Angola project remained temporarily suspended in the Reporting Period as a result of the maritime arbitration (the "Angola Arbitration") between CITIC Logistics Company Limited ("CITIC Logistics BJ") and the former handling agent for the Angola project over the termination of the cooperation agreement made between CITIC Logistics BJ and the former handling agent. According to the notices from China Maritime Arbitration Commission, the deadline for the ruling of the Angola Arbitration has been further extended to 30 June 2011 and subsequently further to 30 August 2011.

As a result of the Japan earthquake in March 2011, there was a sudden surge in demand in the electronic components industry for a short period of time. Turnover of the electronic products segment increased by 27.5% to HK$415.0 million in the Reporting Period compared with HK$325.4 million in the Corresponding Period. However, the earthquake in Japan also led to an abrupt increase in raw material cost, which together with high inflation and continuous appreciation in Renminbi ("RMB") resulted in the continuous margin squeeze in the electronic products segment. This segment, therefore, recorded a loss of HK$13.0 million in the Reporting Period, as compared with a profit of HK$9.9 million in the Corresponding Period.

The property investment segment reported a profit of HK$28.7 million in the Reporting Period versus a loss of HK$0.4 million in the Corresponding Period, mainly due to gains of HK$30.0 million in the fair value of the investment property as at the end of the Reporting Period.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

During the last year, CITIC Logistics (International) Company Limited ("CITIC Logistics"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement (as amended by a supplemental agreement dated 14 December 2010) (the "Original 90% Agreement") with Pioneer Blaze Limited and Mr. Li Weimin, an executive director and a substantial shareholder of the Company, to acquire a total of 90% equity interest in CITIC Logistics BJ. CITIC Logistics also entered into a sale and purchase agreement (the "Original 10% Agreement") with CITIC Automobile Company Limited* (中信汽車公司) to acquire the remaining 10% equity interest in CITIC Logistics BJ.

On 11 February 2011, the Original 90% Agreement was superseded by a new agreement with, among other matters, a revised aggregate consideration of HK$210,393,289, to be satisfied by the issue and allotment of a maximum of 743,439,182 consideration shares by the Company. On 11 February 2011, the Original 10% Agreement was superseded by a new agreement with, among other matters, a revised aggregate consideration of HK$46,969,595, to be satisfied by the issue and allotment of a maximum of 165,970,300 consideration shares by the Company.

The above transactions were approved by the independent shareholders of the Company at the special general meeting held on 25 March 2011. As at the end of the Reporting Period, completion of the above transactions has not yet taken place. For details of these transactions, please refer to the circular of the Company dated 28 February 2011.

* *For identification purpose only*

Future Outlook

The Group began the year expecting a slowdown in the global economic expansion with weak growth in the advanced economies cushioned by a continued brisk pace in the emerging economies. The outlook for the second half of 2011 ("2H2011") appears tougher, however, as waning activity in the worldwide manufacturing and service sector in July 2011 is compounded by a worsening in the eurozone debt crisis and an escalation in the US fiscal problems with the recent rating downgrade. These have fuelled fears that deficit-reduction to tackle fiscal difficulties could exacerbate the slowdown and the US could fall into a long cycle of slow growth and deflation or even slide back into recession. The Group concurs with the view that a new round of credible stimulus may be required and the central banks might have to soften their monetary stance.

China's economy maintained relatively good momentum in the first half of 2011 ("1H2011") expanding by 9.6% with 9.7% in the first quarter of 2011 and 9.5% in the second quarter of 2011. Inflation, however, hit a 37-month high of 6.5% in July 2011 from 6.4% in June 2011 while industrial output growth slowed to 14% in July 2011 from 15.1% in June 2011. This could put the central bank in a bind as it strives to keep prices in check without dragging down an economy facing threats of weakening external demand. The Chinese government will need to strike a good balance between managing inflationary pressures and maintaining economic growth. Selective easing, therefore, is more likely if the global outlook remains challenging. While inflation may have peaked, it could stay at high levels or come back quickly, which will limit policy room for a big stimulus package as the one in end-2008.

China's total logistics revenue（全國物流社會總額）and total logistics costs（全國社會物流總費用）in 1H2011 rose by 13.7% and 18.5% year-on-year ("y-y"), respectively. These compared with an increase of 18.4% and 17.8% y-y in the first half of 2010 ("1H2010"), respectively. Logistics revenue for industrial products in 1H2011 increased by 14.3% y-y (1H2010: 17.6% y-y) and accounted for 90.8% of total logistics revenue. Domestic logistics companies encountered some operating difficulties in 1H2011 amid tight funds seeing a slowdown in revenue growth but a continued climb in input cost. Such operating difficulties may carry on into 2H2011. The Group, however, continues to see good development opportunities, particularly in the industrial logistics sector and believes that growth in domestic logistics industry will continue to outpace China's GDP in the coming years.

Against this backdrop, the Group will continue to improve the execution and cost control of existing projects, and actively source new projects in an effort to expand the revenue stream of its logistics services business. The Group intends to resume shipping services for the Angola project after the ruling of the Angola Arbitration is issued. The Group is in the process of acquiring the entire equity interest in CITIC Logistics BJ from three vendors holding respective stakes of 60%, 30% and 10% (the "Acquisition"). The transfer of the 30% and 10% ownership requires regulatory approvals in China and applications have been submitted to the respective authorities. The Acquisition may be completed in 2011.

Year 2011 is expected to be a tough year for the electronic products industry. The Group believes that the electronic products business is facing an extreme margin pressure. This segment remains competitive in its products amid the increasing competition in the market. Pricing policy will become the most significant market strategy. On the other hand, labour cost continues to increase as a result of the continuous strengthening in labour protection act in China and labour shortage in Guangdong Province. Those pressures will lead to a substantially lower gross margin than it has ever achieved in the past. The Board expects this phenomenon to continue in 2012. The Group will cautiously monitor its performance from time to time to reduce the reliance on the less profitable products and focus more on customers and products with higher profit margins.

CORPORATE GOVERNANCE PRACTICE

The Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the six months ended 30 June 2011, however:

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. Mr. Ho Chi Fai, an independent non-executive Director, is not appointed for a specific term but his directorship is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company (the "Bye-Laws") and the Listing Rules. Under the Bye-Laws, one-third of the directors of the Company (the "Directors") shall retire from office by rotation at each annual general meeting. This means a Director's specific term of appointment cannot exceed three years for a total of eight Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of the directors of the Company, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the six months ended 30 June 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2011, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE REVIEW

The Company established an audit committee on 3 July 2000 (the "Audit Committee") with primary duties to review and supervise the financial reporting process and the internal control system of the Group. The Audit Committee comprises two non-executive Directors, namely, Academician Liu Renhuai and Mr. Xin Luo Lin and three independent non-executive Directors, namely, Mr. Ho Chi Fai (Chairman of the Audit Committee), Ms. Liu Yanfang and Professor Ma Hongwei.

The unaudited interim results of the Group for the six months ended 30 June 2011 have been reviewed by the Audit Committee.

By order of the Board
Sino-Tech International Holdings Limited
Li Weimin
Executive Director

Hong Kong, 25 August 2011

As at the date of this announcement, the Board comprises Mr. Li Weimin, Mr. Lam Yat Keung and Mr. Huang Hanshui as executive directors; Academician Liu Renhuai and Mr. Xin Luo Lin as non-executive directors; and Mr. Ho Chi Fai, Ms. Liu Yanfang and Professor Ma Hongwei as independent non-executive directors.