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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the circular of the Company dated 28 February 2011 (the “Circular”) in relation to the acquisition of the equity interest in CITIC Logistics Company Limited (“CLBJ”). Capitalised terms used in this announcement shall have the same meaning as those defined in the Circular unless otherwise stated.

As set out in the Circular, Guangdong Steel Company was in the process of constructing the Zhanjiang Steel Base, which is located on the Donghai Islands, Zhanjiang City, Guangdong Province, to manufacture steel products with initial steel production capacity of 10 million tonnes annually (the “Zhanjiang Steel Base Project”). On 26 September 2010, CLBJ and Guangdong Steel Company entered into the Zhanjiang Formal Agreements in relation to the provision of logistics services for the Zhanjiang Steel Base Project. The Zhanjiang Projects under the Zhanjiang Formal Agreements include two projects, i.e. the Zhanjiang Raw Materials Project and the Zhanjiang Specialised Tanker Project. The Zhanjiang Projects will adopt BOO (Build-Own-Operate) mode, pursuant to which, CLBJ has been granted the exclusive rights of eight years (including the construction period and operation period) (the “Exclusive Period”), which was commenced in 2010 and will end in 2018, to invest, build and operate the Zhanjiang Projects.

CLBJ has been communicating with the relevant parties of the Zhanjiang Steel Base regarding the progress of the Zhanjiang Steel Base Project. The Company is informed that 寶鋼湛江鋼鐵有限公司 (Bao Steel Zhanjiang Steel Company Limited*) (the “Bao Steel Project Company”) has become the investment entity and the investment company of the Zhanjiang Steel Base Project. The Company understands that the Zhanjiang Steel Base Project has been subject to continuous modifications, and there is a delay in the Zhanjiang Projects due to the delay in the construction of the Zhanjiang Steel Base Project. The Company also understands that the Zhanjiang Steel Base Project has been approved by the National Development and Reform Commission at the end of May 2012.

* *For identification purpose only*

As announced by the Company on 7 November 2011, completion of the 90% Acquisition Agreement took place on 7 November 2011. After completion of the 90% Acquisition Agreement, the Company engaged an independent valuer to prepare an updated valuation for the Zhanjiang Projects to be included in the Company's annual report for the year ended 31 December 2011 (the "2011 Annual Report"). It was noted that there was an inadvertent misinterpretation of the commencement of the Exclusive Period. The Company would like to clarify that the Exclusive Period should commence after CLBJ receives the formal notice from Bao Steel Project Company informing CLBJ that the construction of the Zhanjiang Steel Base Project has formally commenced. As CLBJ has not received the formal notice from Bao Steel Project Company, the Exclusive Period has not commenced yet.

The Company considers that, apart from the delay of the Zhanjiang Steel Base Project which in turn results in the delay of the Zhanjiang Projects, there are no material adverse impact on the assumptions and the valuation on the Zhanjiang Projects, and the valuation amount included in the 2011 Annual Report was prepared based on the assumption that the terms of the Exclusive Period remains as eight years.

Should there be any material development in relation to the Zhanjiang Projects, the Company will issue announcement(s) to inform the investing public and the shareholders of the Company.

By order of the Board
Sino-Tech International Holdings Limited
Huang Hanshui
Executive Director

Hong Kong, 19 June 2012

As at the date of this announcement, the board of directors of the Company comprises Mr. Li Weimin (suspended), Mr. Lam Yat Keung, Mr. Lim Chuan Yang and Mr. Huang Hanshui as executive directors; and Mr. Ho Chi Fai, Ms. Liu Yanfang and Professor Ma Hongwei as independent non-executive directors.