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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)

UPDATE ON THE SITUATION OF THE GROUP

Reference is made to the Company's announcements dated 25 April 2012, 14 June 2012, 3 August 2012, 6 November 2012, 8 November 2012 and 22 November 2012 (the "**Announcements**") and the circular dated 22 October 2012 (the "**Circular**"). Capitalised terms used in this announcement shall have the same meanings as these defined in the Announcements and the Circular unless otherwise specified.

As set out in the Company's announcement dated 25 April 2012, Mr. Li Weimin ("**Mr. Li**"), the former executive Director and the former chairman of the Company, was under investigation by the relevant authorities in the PRC. As further announced by the Company on 3 August 2012 and set out in the Circular, CITIC Auto filed the CITIC Auto Lawsuit with the Beijing Court against CLBJ. The CITIC Auto Lawsuit revealed that there is a discrepancy between the CITIC Auto Claim and the Recorded CITIC Auto Loan. The Company is currently unable to clarify with Mr. Li regarding the Discrepancies. The latest court hearing regarding the CITIC Auto Lawsuit was held on 28 November 2012, and the next court hearing is scheduled on 7 December 2012. As at the date of this announcement, the Investigation has not been concluded, and CLBJ has not received any court judgment regarding the CITIC Auto Lawsuit.

Given the Investigation and the Discrepancies, the Board considers it prudent and necessary to engage an independent auditor to review the internal control procedures of the Group. As at the date of this announcement, the Company is in discussion with the independent auditors and the Stock Exchange regarding the proposed scope for such review. Further announcement(s) will be made by the Company as and when appropriate.

* For identification purpose only

As set out in the Circular, although the Group's electronic products segment remains intact, the Investigation and the CITIC Auto Lawsuit have caused adverse impacts on the financial and business operations of CLBJ and CLI, which are the operating subsidiaries of the Company for the logistics services business segment. On 22 August 2012, CLBJ received a notice from the Bao Steel Project Company informing CLBJ that the construction of the Zhanjiang Steel Base Project had formally commenced on 31 May 2012. It was estimated that the Zhanjiang Projects would require a total investment of approximately RMB466 million. As of the date of this announcement, neither CLBJ nor the Group has sufficient funds to invest in the Zhanjiang Projects. As advised by the PRC lawyer of the Group, there is a risk that CLBJ may breach the terms of relevant contracts for the Zhanjiang Projects if it does not proceed with the investment. Meanwhile, in connection with the CITIC Auto Lawsuit, trade receivables in the amount of approximately US\$3.3 million due by CITIC Contracting to CLI were frozen by the Beijing Court (the "Freeze"). CLI has on 26 September 2012 made an application to the Beijing Court to raise an objection (the "Objection") to the Freeze. The Beijing Court, however, dismissed the Objection on the hearing held on 15 November 2012. Due to the Investigation, the CITIC Auto Lawsuit and liquidity issues, business activities in the Beijing head office of CLBJ have ceased although businesses of its branch offices in other places in the PRC are still under operation.

On 22 November 2012, the Company announced new appointments to the Board, seeking to add expertise to help stabilizing the businesses and situation of the Group.

Given all the adversities faced by the Group, the Board is critically reviewing the Group's existing logistics services business segment and is devising a strategy with professional assistance to minimize the adverse impacts on the Company as mentioned above. Further announcement(s) will be made by the Company as and when appropriate.

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:00 a.m. on 14 March 2012, and it will remain suspended pending the release of further announcement(s) by the Company.

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

Hong Kong, 30 November 2012

As at the date of this announcement, the Board comprises 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.