

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



SINO-TECH INTERNATIONAL HOLDINGS LIMITED

泰豐國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

Financial Adviser to the Company



ASIAN CAPITAL

(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

On 27 October 2015 (after trading hours), the Company entered into two Subscription Agreements with two Subscribers, respectively for the Subscription of an aggregate of 722,500,000 new Shares at the Subscription Price of HK\$0.047 per Subscription Share for an aggregate consideration of approximately HK\$33.96 million. Under the Subscription Agreements, the Subscribers, namely Active Shell and Regency Eagle, have agreed to subscribe for 484,000,000 and 238,500,000 Subscription Shares, respectively. Apart from the identity of the Subscribers and the number of Subscription Shares to be subscribed by each of the Subscribers, the salient terms of each of the Subscription Agreements are identical in all material aspects.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the 722,500,000 Subscription Shares with an aggregate nominal value of HK\$7,225,000 represents (i) approximately 5.49% of the issued share capital of the Company of 13,166,698,580 Shares as at the date of this announcement; and (ii) approximately 5.20% of its issued share capital of 13,889,198,580 Shares as enlarged by the Subscription Shares.

* For identification purpose only

The issue of the Subscription Shares is not subject to Shareholders' approval as the Subscription Shares will be allotted and issued pursuant to the General Mandate. The completion of the Subscription is conditional upon, among other things, the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares.

Shareholders and potential investors should note that completion of the Subscription is subject to the fulfillment of the conditions precedent under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

On 27 October 2015 (after trading hours), the Company entered into two Subscription Agreements with two Subscribers, respectively for the Subscription of an aggregate of 722,500,000 new Shares at the Subscription Price of HK\$0.047 per Subscription Share for an aggregate consideration of approximately HK\$33.96 million. Apart from the identity of the Subscribers and the number of Subscription Shares to be subscribed by each of the Subscribers, the salient terms of each of the Subscription Agreements are identical in all material aspects.

THE SUBSCRIPTION AGREEMENTS

Date: 27 October 2015 (after trading hours)

Parties: the Company, as issuer; and
the Subscribers, as subscribers

Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have agreed to subscribe for an aggregate of 722,500,000 Subscription Shares at the Subscription Price of HK\$0.047 per Subscription Share. Under the Subscription Agreements, the Subscribers, namely Active Shell and Regency Eagle, have agreed to subscribe for 484,000,000 and 238,500,000 Subscription Shares, respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Subscribers and their respective ultimate beneficial owners (if applicable) are Independent Third Parties. It is expected that none of the Subscribers will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately upon the completion of the Subscription.

Number of Subscription Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the 722,500,000 Subscription Shares with an aggregate nominal value of HK\$7,225,000 represents (i) approximately 5.49% of the issued share capital of the Company of 13,166,698,580 Shares as at the date of this announcement; and (ii) approximately 5.20% of its issued share capital of 13,889,198,580 Shares as enlarged by the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.047 per Subscription Share represents:

1. a discount of approximately 16.07% to the closing price of HK\$0.056 per Share as quoted on the Stock Exchange on 27 October 2015, being the date of the Subscription Agreements; and
2. a discount of approximately 18.69% to the average of the closing prices of approximately HK\$0.0578 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days of the Shares immediately preceding the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiations between the Company and each of the Subscribers with reference to the prevailing closing prices of the Shares as quoted on the Stock Exchange. The Directors consider that the Subscription Agreements are on normal commercial terms and are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent to the Subscription

Completion of the Subscription Agreements is subject to the fulfillment of the following conditions:

1. the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares (the "**Listing Approval**");
2. each of the representations, warranties and undertakings remaining true and accurate and not misleading in any material respect as if repeated at completion of the Subscription and at all times between the date of the Subscription Agreement and the Completion Date;
3. (subject to and within one (1) Business Day upon the Stock Exchange granting the Listing Approval) the Subscribers having paid or procured to be paid the aggregate Subscription Price for the Subscription Shares by delivering, or procuring the delivery of, to the Company a cashier's order(s) (in Hong Kong dollars) addressed to the Company or such other entity as the Company may direct in writing and issued by a licensed bank in Hong Kong; and
4. all other necessary approvals and consents, if any, in respect of the Subscription Agreements and the transactions contemplated thereunder having been obtained.

None of the conditions precedent may be waived by any party. In the event that any of the conditions referred to above is not fulfilled on or before 5:00 p.m. on the Long Stop Date, the Subscription Agreements shall cease and determine and thereafter, no party shall have any obligations and liabilities to the other party.

Completion

The completion of the Subscription shall take place at or before 5:00 p.m. on the Completion Date. The completion of the Subscription Agreements is not inter-conditional to each other.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with all other fully paid Shares in issue as at the Completion Date.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding in the Company (a) as at the date of this announcement; and (b) immediately after completion of the Subscription (assuming no further Shares will be issued or repurchased from the date of this announcement to the Completion Date) are as follows:

	As at the date of this announcement		Immediately after completion of the Subscription	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Li Weimin	1,742,985,823	13.24	1,742,985,823	12.55
Active Shell	–	–	484,000,000	3.48
Regency Eagle	–	–	238,500,000	1.72
Other public Shareholders	<u>11,423,712,757</u>	<u>86.76</u>	<u>11,423,712,757</u>	<u>82.25</u>
Total	<u><u>13,166,698,580</u></u>	<u><u>100.00</u></u>	<u><u>13,889,198,580</u></u>	<u><u>100.00</u></u>

As disclosed in the above shareholding table, immediately after completion of the Subscription, the Company will continue to comply with the public float requirement under the Listing Rules.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors have considered that the Subscription would allow the Group to raise additional funds and widen the Company's shareholder base. The Directors consider that the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The net proceeds from the issue of the Subscription Shares after deducting related expenses of the Subscription are estimated to be approximately HK\$33.15 million and the net price per Subscription Share is approximately HK\$0.0459 per Subscription Share accordingly. The Company intends to utilise the net proceeds as general working capital of the Group.

INFORMATION OF THE SUBSCRIBERS

The Subscribers are Active Shell and Regency Eagle. Active Shell is a limited company incorporated under the laws of the British Virgin Islands and beneficially owned by Mr. Yi Yanning, who is a businessman in the PRC. Regency Eagle is a limited company incorporated under the laws of the British Virgin Islands and beneficially owned by Mr. Yu Ka, who is a businessman in the PRC. As advised and confirmed by the Subscribers, each of the Subscriber is independent of and not connected with the other Subscriber and its associates.

GENERAL

The Group is principally engaged in the manufacturing and trading of electronic and electrical parts and components.

The Subscription Shares will be allotted and issued under the General Mandate. As the Subscription Shares are to be issued under the General Mandate, the issue of the Subscription Shares is not subject to any additional Shareholders' approval.

Shareholders and potential investors should note that completion of the Subscription is subject to the fulfillment of conditions precedent under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Active Shell”	Active Shell Investment Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Board”	the board of Directors
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Business Day(s)”	a day on which banks in Hong Kong are open for business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Company”	Sino-Tech International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board
“Completion Date”	any Business Day within five (5) Business Days after the day on which the last of the conditions in respect of each of the Subscription Agreements is satisfied or such other date as the Company and the Subscribers may agree in writing
“Directors”	directors of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 8 June 2015 to issue and allot up to 2,633,339,716 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	party(ies) who is/are independent of, and not connected with the Directors, chief executive or substantial shareholders of each of the Company, its subsidiaries and their respective associates, in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	27 November 2015 or such other date as the Company and the Subscribers may agree in writing
“Main Board”	the Main Board of the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan)
“Regency Eagle”	Regency Eagle Investment Limited (帝鷹投資有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Active Shell and Regency Eagle
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Subscription Agreements”	the Subscription Agreement A and the Subscription Agreement B
“Subscription Agreement A”	the subscription agreement dated 27 October 2015 entered into between the Company and Active Shell in respect of the subscription of 484,000,000 new Shares

“Subscription Agreement B”	the subscription agreement dated 27 October 2015 entered into between the Company and Regency Eagle in respect of the subscription of 238,500,000 new Shares
“Subscription Price”	HK\$0.047 per Subscription Share
“Subscription Shares”	an aggregate of 722,500,000 new Shares to be subscribed by the Subscribers in accordance with the terms and conditions of the Subscription Agreements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 27 October 2015

As at the date of this announcement, the Board comprises Mr. Lam Yat Keung (President), Mr. Huang Hanshui and Mr. Wang Zhaofeng as executive Directors; and Mr. Ho Chi Fai, Ms. Liu Yanfang and Professor Ma Hongwei as independent non-executive Directors.