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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 AND CONNECTED TRANSACTION ACQUISITION OF REMAINING 10% EQUITY INTEREST IN CITIC LOGISTICS COMPANY LIMITED INVOLVING THE ISSUE OF CONSIDERATION SHARES AND FURTHER DELAY IN DESPATCH OF CIRCULAR

THE SECOND ACQUISITION AGREEMENT

On 25 November 2010 (after trading hours), the Purchaser and the Third Vendor entered into the Second Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Third Vendor conditionally agreed to sell the Remaining Sale Equity Interest at the Consideration of HK\$225,970,429 (subject to adjustment). The Consideration is to be satisfied by the issue of the Consideration Shares, which are subject to a lock-up period of one (1) year from the date of issue of such Consideration Shares (except any transfer within the Citic Group).

LISTING RULES IMPLICATIONS

The aggregation of the First Acquisition and the Second Acquisition results in the same classification of the First Acquisition. As certain of the applicable percentage ratios (as defined in the Listing Rules) exceed 5% but are less than 25%, the Second Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As disclosed in the First Acquisition Announcement, the First Vendor is a connected person of the Company by virtue of his substantial shareholding and directorship in the Company. Having considered the First Acquisition and the Second Acquisition in totality, the Second Acquisition also constitutes a non-exempted connected transaction under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement and independent shareholders' approval requirements. Accordingly, the Company will seek Independent Shareholders' approval at the SGM by way of poll for the First Acquisition Agreement and the Second Acquisition Agreement and the respective transactions contemplated thereunder. The Vendors and their associates will abstain from voting on the resolutions in relation to the First Acquisition and the Second Acquisition to be proposed at the SGM.

GENERAL

The expected despatch date of the circular which contains, among other things, further details of the First Acquisition Agreement and Second Acquisition Agreement and a notice of the SGM will be further delayed to a date falling on or before 31 December 2010.

BACKGROUND

Reference is made to the First Acquisition Announcement dated 8 October 2010 in relation to the entering into the First Acquisition Agreement with the First Vendor and the Second Vendor in respect of the acquisition of 90% equity interest in the PRC Target Company.

The Board is pleased to announce that, after arm's length negotiations with the Third Vendor, being the owner of the remaining 10% equity interest in the PRC Target Company, on 25 November 2010 (after trading hours), the Purchaser and the Third Vendor entered into the Second Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Third Vendor conditionally agreed to sell the Remaining Sale Equity Interest at the Consideration of HK\$225,970,429 (subject to adjustment). The Consideration is to be satisfied by the issue of the Consideration Shares. Set out below are the major terms of the Second Acquisition Agreement.

THE SECOND ACQUISITION AGREEMENT

Date : 25 November 2010 (after trading hours)

Parties : (1) 中信汽車公司(CITIC Automobile Company Limited*) as the Third Vendor; and
(2) CITIC Logistics (International) Company Limited as the Purchaser.

Mr. Wang Jianzhi is an executive Director and a director of the Third Vendor, and the First Vendor is an executive Director and a substantial Shareholder holding 30% equity interest in the PRC Target Company. Save for the above, to the best knowledge and information of the Directors having made all reasonable enquiries, the Third Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be acquired

As disclosed in the First Acquisition Announcement, the Purchaser conditionally agreed to acquire the Sale Share and Sale Equity Interest, representing a total of 90% equity interest in the PRC Target Company under the First Acquisition Agreement.

Pursuant to the Second Acquisition Agreement, the Purchaser conditionally agreed to purchase and the Third Vendor conditionally agreed to sell the Remaining Sale Equity Interest, representing the remaining 10% equity interest in the PRC Target Company.

As such, upon completion of the First Acquisition and the Second Acquisition, the PRC Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's financial statements.

Consideration

Pursuant to the Second Acquisition Agreement, the Consideration is HK\$225,970,429, which will be satisfied by the issue of Consideration Shares in the following manner:

- (i) HK\$72,340,069, being the first part of the consideration for the sale and purchase of the Remaining Sale Equity Interest (the “**First RSEI Consideration**”). HK\$65,106,062, being the First RSEI Consideration less the Retained Consideration, shall be payable by the Purchaser and shall be satisfied by the issue and allotment of 162,765,155 Consideration Shares at the issue price of HK\$0.40 per Share by the Company to the Third Vendor or as it may direct on the Completion Date; and
- (ii) HK\$153,630,360 being the remaining part of the consideration for the sale and purchase of the Remaining Sale Equity Interest representing an amount equal to 10% of the estimated value of the Zhanjiang Related Projects (the “**Second RSEI Consideration**”) which shall be payable by the Purchaser and shall be satisfied by the issue and allotment of 384,075,900 Consideration Shares at the issue price of HK\$0.40 per Share by the Company to the Third Vendor or as it may direct within 30 Business Days after the formal legally binding agreements for the relevant Zhanjiang Related Projects are signed.

In the event of Completion Shortfall, the Third Vendor will indemnify the Purchaser fully of the shortfall amount arising on a dollar-to-dollar basis, upon which the Purchaser would directly reduce the Retained Consideration with the same amount of the Completion Shortfall (the “**Shortfall Indemnification**”). The Company shall then within 30 Business Days after the Shortfall Indemnification settle the remaining Retained Consideration by the issue and allotment of equivalent amount of Consideration Shares at the issue price of HK\$0.40 per Share to the Third Vendor or as it may direct. In the event that no Completion Shortfall occurs, the parties shall confirm the same in writing and the Company shall then within 30 Business Days from the date of confirmation settle the Retained Consideration in full by the issue and allotment of equivalent amount of Consideration Shares at the issue price of HK\$0.40 per Share to the Third Vendor or as it may direct.

The Second RSEI Consideration may be paid in stages and satisfied by issue and allotment of the Consideration Shares in tranches, pursuant to which, the relevant amount of the Consideration Shares will be issued on a date which is within 30 Business Days from the date on which the respective formal legally binding agreement for the Zhanjiang Scrap Steel Project, the Zhanjiang Domestic Transportation Project or the Zhanjiang Finished Product Distribution Project is signed and a valuation report certifying the value of the relevant projects as at the date of signing of the formal legally binding agreement issued by a firm of independent valuers acceptable to the Purchaser is delivered to the Purchaser.

If the value of any of the Zhanjiang Related Projects certified by the independent valuer is less than 90% of the Zhanjiang Scrap Steel Project Value, the Zhanjiang Domestic Transportation Project Value or the Zhanjiang Finished Product Distribution Project Value, the aggregate of the relevant portion of the Second RSEI Consideration shall be reduced in accordance with the following:

$$A = (B - C - D) \times 10\%$$

Where:

A = the amount to be reduced from the Second RSEI Consideration for the relevant Zhanjiang Related Projects;

B = the Zhanjiang Scrap Steel Project Value, the Zhanjiang Domestic Transportation Project Value or the Zhanjiang Finished Product Distribution Project Value (as the case may be);

C = 10% of the Zhanjiang Scrap Steel Project Value, the Zhanjiang Domestic Transportation Project Value or the Zhanjiang Finished Product Distribution Project Value (as the case may be); and

D = the value of the Zhanjiang Scrap Steel Project, the Zhanjiang Domestic Transportation Project or the Zhanjiang Finished Product Distribution Project (as the case may be) as at the date of the signing of the formal agreement of the relevant Zhanjiang Related Projects certified by an independent valuer.

If no formal legally binding agreement acceptable to the Purchaser in respect of the Zhanjiang Related Projects is signed, the Purchaser shall not pay the relevant portion of the Second RSEI Consideration to the Third Vendor.

Basis of the Consideration

The Consideration was agreed between the Purchaser and the Third Vendor after arm's length negotiations and on normal commercial terms by reference to (i) the terms of the First Acquisition Agreement; (ii) the preliminary assessed fair values of the Tangshan Projects, the Zhanjiang Projects and the Zhanjiang Related Projects, which are being owned or to be owned by the PRC Target Company, as at 30 September 2010; (iii) the consolidated net assets value of the PRC Target Company as at 30 June 2010; and (iv) the outstanding shareholders' loan.

Conditions Precedent

Completion shall be subject to and conditional upon the fulfilment or (at the sole and absolute discretion of the Purchaser) the waiver of the following Conditions Precedent (except conditions (i), (ii), (iii) and (iv) below which cannot be waived):

- (i) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject only to conditions to which neither the Third Vendor nor the Purchaser may reasonably object) or agree to grant listing of and permission to deal in the Consideration Shares;
- (ii) approval by the Independent Shareholders of the Shareholders' resolutions in relation to, *inter alia*, the Second Acquisition Agreement and all transactions contemplated thereunder, the issue and allotment of the Consideration Shares at the SGM in accordance with the Listing Rules;
- (iii) the Company having complied with and to the satisfaction of the Stock Exchange and the SFC all requirements under the Listing Rules and/or the Takeovers Code in relation to the purchase of the Remaining Sale Equity Interest and the issue and allotment of the Consideration Shares and other transactions contemplated under the Second Acquisition Agreement;
- (iv) the Third Vendor having complied with and to the satisfaction of the Stock Exchange and the SFC all requirements under the Listing Rules and/or the Takeovers Code in relation to the sale of the Remaining Sale Equity Interest and transactions contemplated under the Second Acquisition Agreement;
- (v) the Purchaser is satisfied with the results of the due diligence review, including but not limited to the satisfaction of the legal, financial and business position and prospects of each of the PRC Target Group Companies and each of the PRC Projects;

- (vi) the receipt by the Purchaser of a legal opinion by a firm of qualified lawyers in the PRC in such form and substance satisfactory to the Purchaser confirming, *inter alia*:
- (a) the shareholders of each of the PRC Target Group Companies, the PRC Target Company's ownership and financial interests in its existing assets and business, the PRC Projects and its right to operate the PRC Projects and the state and conditions of each of the PRC Projects;
 - (b) there are no laws, rules, regulations or decisions imposed, promulgated or adopted by any governments, official authorities, regulatory authorities, Tangshan Headquarters (including its representative company) or Guangdong Steel Company, prohibiting or restricting the acquisition of the Remaining Sale Equity Interest and change of shareholder or controller of the PRC Target Group Companies and any of the PRC Projects; and
 - (c) all necessary authorisations, consents, licence and approvals of all relevant governmental or regulatory authorities, agencies or bodies, or any other third party (including Tangshan Headquarters (including its representative company), Guangdong Steel Company, banks, lenders and/or shareholders of the PRC Target Company, the Purchaser or the Company, (if required) and/or relevant regulatory authorities of the PRC (if required)), required for the implementation of the transactions contemplated in the Second Acquisition Agreement and to operate the PRC Projects being obtained and maintained;
- (vii) the First Acquisition Agreement having been duly and properly completed in accordance with the terms and conditions therein and the Purchaser having obtained from the First Vendor and the Second Vendor all the necessary approvals for the transactions contemplated under the First Acquisition Agreement by the relevant government authorities in the PRC;
- (viii) it has not come to the attention of the Purchaser or the Third Vendor that the representations and warranties and undertakings by the Third Vendor as set out in the Second Acquisition Agreement being inaccurate and incorrect in any material respect on the date of the Second Acquisition Agreement and on the Completion Date; and
- (ix) it has not come to the attention of the Purchaser or the Third Vendor that any material adverse changes or effect in respect of each of the PRC Target Group Companies and/or the PRC Projects has occurred or are likely to occur prior to the Completion Date.

If the Conditions Precedent are not fulfilled or waived (in respect of conditions (i), (ii), (iii) and (iv) which cannot be waived) on 28 February 2011 or such later date as may be agreed between the Third Vendor and the Purchaser in writing, the Second Acquisition Agreement shall terminate and no party to the Second Acquisition Agreement shall have any liability to the other party, save in respect of any antecedent breaches of the Second Acquisition Agreement.

Consideration Shares and lock-up period

The issue price of the Consideration Shares is HK\$0.40 per share, which represents:

- i) a premium of approximately 19.40% to the closing price of the Shares of HK\$0.335 per Share as quoted on the Stock Exchange on the Last Trading Date;
- ii) a premium of approximately 16.62% to the average of the closing prices of the Shares of HK\$0.343 per Share for the 5 consecutive trading days up to and including the Last Trading Date;
- iii) a premium of approximately 9.59% to the average of the closing prices of the Shares of HK\$0.365 per Share for the 10 consecutive trading days up to and including the Last Trading Date; and
- iv) a premium of approximately 181.69% to the net assets value per Share of approximately HK\$0.142 based on the unaudited consolidated net assets of the Company as at 30 June 2010 and the number of issued Shares as at the Last Trading Date.

The issue price of the Consideration Shares was determined after arm's length negotiations between the Company and the Third Vendor with reference to the terms of the First Acquisition Agreement, the prevailing market price of the Shares, and having regard to the net assets value of the Shares.

As at the date of this announcement, there are 8,682,789,500 Shares in issue. The total number of the Consideration Shares to be issued (before any adjustment of the consideration) represents:

- (i) approximately 6.5% of the existing issued share capital;
- (ii) approximately 6.1% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares;
- (iii) approximately 4.1% of the issued share capital of the Company as enlarged by the full conversion of the Convertible Notes and the issue and allotment of the Consideration Shares; and
- (iv) approximately 2.9% of the issued share capital of the Company as enlarged by the full conversion of the Convertible Notes, the issue and allotment of the Consideration Shares and the full conversion of the Existing Convertible Instruments.

The Consideration Shares, when issued, will rank *pari passu* in all respects with the Shares on the date of the issue of Consideration Shares.

The Third Vendor unconditionally and irrevocably undertakes to the Purchaser and the Company that it will not and will procure its nominee not to sell, transfer, or otherwise dispose of, or grant or agree to grant any option or rights, or create an encumbrance over all or any part of the Consideration Shares to or in favour of any person (other than the holding company of the Third Vendor and/or the Controlled Companies (the “Citic Group”)) for a period of one (1) year from the date of issue of such Consideration Shares, unless prior written approval is obtained from the Purchaser and the Company.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

The Directors will seek the approval of the Independent Shareholders for the grant of the specific mandate to authorise the Directors to allot and issue the Consideration Shares at the SGM.

Effect on the shareholding structure

The table below sets out the shareholding structure of the Company (i) as at the date of the announcement; (ii) on the enlarged basis upon issue of all the Consideration Shares; (iii) on the enlarged basis upon issue of all the Consideration Shares and full conversion of the Convertible Notes; and (iv) on the enlarged basis upon issue of all the Consideration Shares, full conversion of the Convertible Notes and Existing Convertible Instruments.

	Existing shareholding structure		Upon issue of Consideration Shares		Upon issue of Consideration Shares and full conversion of Convertible Notes (Note 1)		Upon issue of Consideration Shares and full conversion of Convertible Notes and Existing Convertible Instruments (Note 1)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
First Vendor (Note 2)	1,620,000,000	18.7%	1,620,000,000	17.5%	3,181,534,130	23.0%	8,701,534,130	44.9%
Second Vendor	-	0.0%	-	0.0%	3,049,408,922	22.0%	3,049,408,922	15.7%
Third Vendor	-	0.0%	564,926,072	6.1%	564,926,072	4.1%	564,926,072	2.9%
The Vendors and parties acting in concert with any of them	1,620,000,000	18.7%	2,184,926,072	23.6%	6,795,869,124	49.0%	12,315,869,124	63.6%
Smart Number Investments Limited (Note 3)	608,400,000	7.0%	608,400,000	6.6%	608,400,000	4.4%	608,400,000	3.1%
Public Shareholders	6,454,389,500	74.3%	6,454,389,500	69.8%	6,454,389,500	46.6%	6,454,389,500	33.3%
Total	<u>8,682,789,500</u>	<u>100.0%</u>	<u>9,247,715,572</u>	<u>100.0%</u>	<u>13,858,658,624</u>	<u>100.0%</u>	<u>19,378,658,624</u>	<u>100.0%</u>

Notes:

1. For illustration purpose only, as the Vendors and parties acting in concert with any of them shall not in aggregate directly or indirectly control or be interested in Shares of 29.9% or more in the Company pursuant to the terms of the First Acquisition Agreement and the Second Acquisition Agreement.
2. The First Vendor is an executive Director. According to the disclosure of interests filing, the First Vendor currently has an interest in 1,620,000,000 Shares and a derivative interest in 5,520,000,000 underlying Shares, represented by Existing Convertible Instruments issued by the Company in the principal amount of HK\$662,400,000.
3. According to the disclosure of interest filings, these shares are beneficially held by Smart Number Investments Limited (“**Smart Number**”), a company incorporated in the British Virgin Islands. The entire issued share capital of Smart Number are beneficially owned by two former Directors, Ms. Lam Pik Wah and Mr. Lam Hung Kit, as to 66.67% and 33.33%, respectively. Mr. Lam Yat Keung, an executive Director, is the spouse of Ms. Lam Pik Wah and is accordingly deemed to have interests in these shares.

Completion

Completion shall take place on the Completion Date. Upon Completion, the PRC Target Company will become an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE THIRD VENDOR

The Third Vendor is an enterprise established in the PRC which is principally engaged in the investment in and import of technology and equipment of automobiles, components and related industry. The Third Vendor is also engaged in the manufacture and sale of automobiles and components and related business. The equity interest of the Third Vendor is directly wholly-owned by 中國中信集團公司 (CITIC Group), a conglomerate incorporated in the PRC.

INFORMATION OF THE PRC TARGET GROUP

The PRC Target Group is principally engaged in the provision of logistics and related services including chemical logistics, engineering logistics, freight forwarding and logistics project management. As at the date of this announcement, the PRC Target Company owns 52% equity interest in Fritz and 40% equity interest in Lingxin. The equity interest of the PRC Target Company is owned by Freight Links, the First Vendor and the Third Vendor as to 60%, 30% and 10% respectively.

As disclosed in the First Acquisition Announcement, the Tangshan Project Company as the wholly-owned subsidiary of the PRC Target Company entered into the Tangshan Formal Agreements with the Development and Construction Company for the Three Islands Tourism Area of Tangshan Bay* (唐山灣三島旅遊區旅遊開發建設有限公司), the representative company of Tangshan Headquarters in relation to the Tangshan Road Project and the Tangshan Bridge Project.

On 26 September 2010, the PRC Target Company entered into the Zhanjiang Formal Agreements with Guangdong Steel Company, pursuant to which the PRC Target Company will build, own and operate (BOO) the logistics systems within Zhanjiang Steel Factory for raw materials transportation and specialized tanker transportation. Under the Zhanjiang Formal Agreements, the PRC Target Company will be granted an exclusive right to build and operate such logistics systems for 8 years in return for service fees.

In addition, the Strategic Cooperation Agreement was entered into between the PRC Target Company and Guangdong Steel Company, pursuant to which both parties agree to establish comprehensive strategic partnership and work together to ensure the efficient, economical and smooth operation of the logistics system for Zhanjiang Steel. Under the Strategic Cooperation Agreement, both parties agree to cooperate fully in all-rounded areas including engineering equipment transportation, raw materials transportation, auxiliary materials transportation and finished products transportation. Among other things, these include the Zhanjiang Scrap Steel Project, the Zhanjiang Domestic Transportation Project and the Zhanjiang Finished Product Distribution Project etc. Further details of the PRC Projects will be provided in the circular to be despatched to the Shareholders by the Company.

The preliminary aggregate assessed fair value of the Tangshan Projects, Zhanjiang Projects and the Zhanjiang Related Projects was HK\$1,939,496,400 as at 30 September 2010.

Based on the latest consolidated management accounts of the PRC Target Company prepared in accordance with the HKFRSs, the PRC Target Company had unaudited consolidated net assets of approximately RMB74.26 million as at 30 June 2010. Further financial information of the PRC Target Company is set out as below:

	For the year ended 31 December 2008 (RMB'000)	For the year ended 31 December 2009 (RMB'000)	For the 6-month ended 30 June 2010 (RMB'000)
Turnover	165,742	142,432	46,996
Loss before taxation	(15,020)	(11,090)	(1,254)
Loss after taxation	(17,560)	(12,531)	(1,448)

The PRC Target Company has a fully paid up registered capital of RMB100 million. The original cost of the Remaining Sale Equity Interest to the Third Vendor was RMB10 million, being the capital contributed by the Third Vendor on a pro-rata basis in respect of its 10% equity interest in the PRC Target Company.

REASONS FOR AND BENEFITS OF THE SECOND ACQUISITION

The Group is principally engaged in manufacturing and trading of electronic and electrical parts and components, as well as the provision of logistics services. As set out in the First Acquisition Announcement, the Board considers that the acquisition of the PRC Target Company will further strengthen the logistics services business of the Group by providing an established platform to participate in large-scale industrial and infrastructure projects in the PRC. Apart from the opportunities to secure more logistics and related projects, it will also expand the Group's services to engineering logistics and logistics project management from chemical logistics and shipping services, it will also allow the Group to integrate logistics and business flow and support its clients to complete the finished products logistics services. In addition, through the acquisitions contemplated under the First Acquisition Agreement and the Second Acquisition Agreement the Group will extend into the upstream and expand its revenue stream.

The Board considers that, after completion of both of the First Acquisition and Second Acquisition, the Group will gain complete control of the PRC Target Company, which will allow the Company more autonomy and flexibility to the business operations of the PRC Target Company in the future. In addition, the entering into the Second Acquisition Agreement will also broaden the shareholders base of the Company by the introduction of CITIC Automobile as one of the Shareholders.

The Directors (excluding the independent non-executive Directors whose views are to be included in the Shareholders' circular to be issued by the Company as mentioned in this announcement) considered that the terms of the First Acquisition Agreement and the Second Acquisition Agreement are on normal commercial terms and fair and reasonable and the entering into the First Acquisition Agreement and the Second Acquisition Agreement shall benefit the Group in the long run and is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The aggregation of the First Acquisition and the Second Acquisition results in the same classification of the First Acquisition. As certain of the applicable percentage ratios (as defined in the Listing Rules) exceed 5% but are less than 25%, the Second Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As disclosed in the First Acquisition Announcement, the First Vendor is a connected person of the Company by virtue of his substantial shareholding and directorship in the Company. Having considered the First Acquisition and the Second Acquisition in totality, the Second Acquisition also constitutes a non-exempted connected transaction under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement and independent shareholders' approval requirements. Accordingly, the Company will seek Independent Shareholders' approval at the SGM by way of poll for the First Acquisition Agreement and the Second Acquisition Agreement and the respective transactions contemplated thereunder. The Vendors and their associates will abstain from voting on the resolutions in relation to the First Acquisition and the Second Acquisition to be proposed at the SGM.

GENERAL

The SGM will be held by the Company for the Shareholders to consider, and if thought fit, to pass the resolutions approving, *inter alia* (i) the First Acquisition Agreement and the transactions contemplated thereunder; (ii) the Second Acquisition Agreement and the transactions contemplated thereunder; (iii) the issue of the Convertible Notes together with the Conversion Shares; and (iv) the issue of the Consideration Shares.

As disclosed in the announcement of the Company dated 29 October 2010, it was expected that the circular would be despatched on or before 30 November 2010. As extra time is required to incorporate the changes arising from the Second Acquisition, the expected despatch date of the circular which contains, among other things, further details of the First Acquisition Agreement and Second Acquisition Agreement and a notice of the SGM, will be further delayed to a date falling on or before 31 December 2010.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, Sunday, public holiday or days on which a typhoon signal No.8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks are generally open for business in Hong Kong

“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
“Completion”	completion of the First Acquisition and the Second Acquisition
“Completion Accounts”	the audited consolidated accounts of the PRC Target Company for the period commencing from 1 July 2010 to the Completion Date, prepared in accordance with HKFRSs and issued by an accountants firm qualified in Hong Kong
“Completion Date”	a date falling within five Business Days after fulfillment of Conditions Precedent and the date on which Completion takes place
“Completion Shortfall”	the shortfall representing the aggregate of 10% of the audited consolidated equity attributable to the owners of the PRC Target Company as shown in the Completion Accounts together with the outstanding shareholder’s loan owned by the PRC Target Company to the Third Vendor and 10% of the value of Tangshan Projects and the Zhanjiang Projects less than the First RSEI Consideration
“Conditions Precedent”	the conditions precedent of the Second Acquisition Agreement, details of which are set out in the section headed “Conditions Precedent” of this announcement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of the Second Acquisition
“Consideration Shares”	a maximum of 564,926,072 new Shares to be issued and allotted by the Company to the Third Vendor or as it may direct as payment for Consideration
“Controlled Companies”	means in respect of a company, the Third Vendor and/or its holding company holding the largest percentage of shareholding or issued share capital of that company. In the event that the shareholding of that company is equal amongst its shareholders, the Third Vendor and/or its holding company having the right to nominate or appoint the largest number of directors to that company

“Convertible Notes”	the convertible notes to be issued by the Company as payment for the consideration of the First Acquisition in the aggregate principal sum of HK\$1,844,377,221 and tenor of five years bearing no interest and convertible into new Shares at the option of the holders at the conversion price of HK\$0.40 per share
“Director(s)”	the director(s) of the Company
“Existing Convertible Instruments”	all the existing financial instruments convertible into 5,520,000,000 Shares as at the date of this announcement
“First Acquisition”	the acquisition of the Sale Equity Interest and Sale Share by the Purchaser from the First Vendor and the Second Vendor respectively under the First Acquisition Agreement
“First Acquisition Agreement”	the agreement dated 6 October 2010 entered into between the First Vendor, Second Vendor, Mr. Lim Chuan Yang and the Purchaser in respect of the First Acquisition
“First Acquisition Announcement”	the announcement of the Company dated 8 October 2010 in relation to the First Acquisition Agreement
“First Vendor”	Mr. Li Wei Min, an executive Director and a substantial shareholder of the Company who owns 30% equity interest in the PRC Target Company as at the date of this announcement
“Freight Links”	Freight Links Capital Pte. Limited, a company incorporated in the Republic of Singapore with limited liability and an indirect wholly-owned subsidiary of Sino Summit Investments Limited
“Fritz”	中信物流飛馳有限公司 (CITIC Logistics Fritz Company Limited), a company incorporated in the PRC with limited liability and 52% equity interest in which is owned by the PRC Target Company
“Group”	the Company and its subsidiaries
“Guangdong Steel Company”	廣東鋼鐵集團有限公司 (Guangdong Steel Group Company Limited*), a state-owned company incorporated in the PRC with limited liability

“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the Shareholders excluding the Vendors and their associates
“Last Trading Date”	24 November 2010, being the last trading date prior to the date of the Second Acquisition Agreement
“Lingxin”	寧波菱信物流有限公司 (Ningbo Lingxin Logistics Company Limited*), a company incorporated in the PRC with limited liability and 40% equity interest in which is owned by the PRC Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Taiwan and Macau Special Administrative Region
“PRC Projects”	the Tangshan Projects, the Zhanjiang Projects and the Zhanjiang Related Projects
“PRC Target Company”	CITIC Logistics Company Limited, a company incorporated in the PRC with limited liability
“PRC Target Group”	together the PRC Target Company, Fritz and Lingxin
“PRC Target Group Companies”	the PRC Target Company, Fritz and Lingxin
“Purchaser”	CITIC Logistics (International) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

“Remaining Sale Equity Interest”	10% of the equity interest or registered capital in or of the PRC Target Company
“Retained Consideration”	HK\$7,234,007 out of the First RSEI Consideration to be retained by the Purchaser with respect to the Completion Shortfall
“Sale Equity Interest”	30% of the equity interest or registered capital in or of the PRC Target Company
“Sale Share”	one ordinary share of US\$1.00 in the issued share capital of Sino Summit Investments Limited, a company incorporated in the British Virgin Islands with limited liabilities and a wholly owned subsidiary of the Second Vendor, representing its entire issued capital
“Second Acquisition”	the acquisition of the Remaining Sale Equity Interest by the Purchaser from the Third Vendor under the Second Acquisition Agreement
“Second Acquisition Agreement”	the agreement dated 25 November 2010 entered into between the Third Vendor and the Purchaser in respect of the Second Acquisition
“Second Vendor”	Pioneer Blaze Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Mr. Lim Chuan Yang and indirectly owns 60% equity interest in the PRC Target Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the Second Acquisition Agreement and the transactions contemplated thereunder; and (ii) the issue of the Consideration Shares
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Strategic Cooperation Agreement”	the strategic co-operation agreement entered into between the PRC Target Company and Guangdong Steel Company on 26 September 2010 with respect to, <i>inter alia</i> , the Zhanjiang Related Projects
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tangshan Road Project”	the project in relation to the construction of the Tangshan Bay Three Islands Tourism Road (唐山灣三島旅遊專用道路工程項目) under the Tangshan Road Project Agreement
“Tangshan Road Project Agreement”	the formal agreement dated 24 September 2010 entered into among the Development and Construction Company for the Three Islands Tourism Area of Tangshan Bay* (唐山灣三島旅遊區旅遊開發建設有限公司), the Tangshan Project Company and Tangshan City Construction Investment Company Limited* (唐山市城市建設投資有限公司) with respect to the Tangshan Road Project
“Tangshan Bridge Project ”	the project in relation to the construction of the Tangshan Bay Cross-Sea Bridge (唐山灣跨海大橋工程項目) under the Tangshan Bridge Project Agreement
“Tangshan Bridge Project Agreement”	the formal agreement dated 24 September 2010 entered into among the Development and Construction Company for the Three Islands Tourism Area of Tangshan Bay* (唐山灣三島旅遊區旅遊開發建設有限公司), the Tangshan Project Company and Tangshan City Construction Investment Company Limited* (唐山市城市建設投資有限公司) with respect to the Tangshan Bridge Project
“Tangshan Formal Agreements”	the Tangshan Road Project Agreement and the Tangshan Bridge Project Agreement
“Tangshan Headquarters”	the Development and Construction Headquarters for the Three Islands Tourism Area of Tangshan Bay* (唐山灣三島旅遊區開發建設指揮部辦公室)

“Tangshan Project Company”	Tangshan CITIC Logistics Company Limited* (唐山中信物流有限公司), a PRC project company established by the PRC Target Company as its wholly-owned subsidiary
“Tangshan Projects”	the Tangshan Road Project and Tangshan Bridge Project
“Third Vendor” or “CITIC Automobile”	中信汽車公司 (CITIC Automobile Company Limited*), an enterprise established in the PRC and the equity interest in which is directly wholly-owned by CITIC Group, a conglomerate incorporated in the PRC
“Vendors”	the First Vendor, the Second Vendor and the Third Vendor
“Zhanjiang Domestic Transportation Project”	the project relating to the provision of services for domestic transportation (國內運輸) of raw materials, auxiliary materials and equipment for Zhanjiang Steel Base (湛江鋼鐵基地) of Guangdong Steel Company
“Zhanjiang Domestic Transportation Project Agreement”	the formal agreement to be entered into between the PRC Target Company and Guangdong Steel Company in relation to Zhanjiang Domestic Transportation Project
“Zhanjiang Domestic Transportation Project Value”	a sum of HK\$198,120,600, being the preliminary assessed fair value of the Zhanjiang Domestic Transportation Project
“Zhanjiang Finished Product Distribution Project”	the project relating to the distribution of finished products including warehousing and delivery (產成品配送及配套) for Zhanjiang Steel Base (湛江鋼鐵基地) of Guangdong Steel Company
“Zhanjiang Finished Product Distribution Project Agreement”	the formal agreement to be entered into between the PRC Target Company and Guangdong Steel Company in relation to the Zhanjiang Finished Product Distribution Project
“Zhanjiang Finished Product Distribution Project Value”	a sum of HK\$817,971,600, being the preliminary assessed fair value of the Zhanjiang Finished Product Distribution Project
“Zhanjiang Formal Agreements”	the Zhanjiang Raw Materials Project Agreement and the Zhanjiang Specialised Tanker Project Agreement

“Zhanjiang Projects”	Zhanjiang Raw Materials Project and Zhanjiang Specialised Tanker Project under the Zhanjiang Formal Agreements
“Zhanjiang Raw Materials Project”	the project in relation to provision of raw materials transportation/logistics and relating services with Zhanjiang Steel Base (湛江鋼鐵基地) of Guangdong Steel Company pursuant to terms of the Zhanjiang Raw Materials Project Agreement
“Zhanjiang Raw Materials Project Agreement”	the formal agreement dated 26 September 2010 entered into between the PRC Target Company and Guangdong Steel Company in relation to Zhanjiang Raw Materials Project
“Zhanjiang Related Projects”	Zhanjiang Scrap Steel Project, Zhanjiang Domestic Transportation Project and Zhanjiang Finished Product Distribution Project
“Zhanjiang Scrap Steel Project”	the project relating to provision of services for collection, processing and delivery of scrap steel (廢鋼加工及配送中心) for Guangdong Steel Company
“Zhanjiang Scrap Steel Project Agreement”	the formal agreement to be entered into between the PRC Target Company and Guangdong Steel Company in relation to Zhanjiang Scrap Steel Project
“Zhanjiang Scrap Steel Project Value”	a sum of HK\$520,211,400 being the preliminary assessed fair value of the Zhanjiang Scrap Steel Project
“Zhanjiang Specialised Tanker Project”	the project in relation to provision of specialised tanker transportation/logistics and relating services with Zhanjiang Steel Base (湛江鋼鐵基地) of Guangdong Steel Company pursuant to the terms of the Zhanjiang Specialised Tanker Project Agreement
“Zhanjiang Specialised Tanker Project Agreement”	the formal agreement dated 26 September 2010 entered into between the PRC Target Company and Guangdong Steel Company in relation to the Zhanjiang Specialised Tanker Project

“%”	per cent
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the law currency of the PRC

Certain English translation of Chinese names or words in this announcement are included for information only, and are not official English translations of such Chinese names or words.

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

Hong Kong, 25 November 2010

As at the date of this announcement, the Board comprises Mr. Li Weimin, Mr. Wang Jianzhi, 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.

* *For identification purpose only*