
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Sino-Tech International Holdings Limited (“Company”), you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY AND NOTICE OF SGM

Financial Advisor to the Company



ASIAN CAPITAL

(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

A notice convening the special general meeting (the “SGM”) of the Company to be held at Suite 3208-11, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong at 11:00 a.m. on Tuesday, 6 November 2012 is set out on pages 30 and 31 of this circular. A form of proxy for use at the SGM is also enclosed with this circular.

Whether or not you intend to attend the SGM, you are advised to read the notice and complete the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and return the form of proxy to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the SGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof.

22 October 2012

* For identification purpose only

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DEFINITIONS

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

“2012 Interim Report”	the Company’s unaudited interim report for the six months ended 30 June 2012
“Board”	the board of Directors
“CITIC Auto”	中信汽車公司 (CITIC Automobile Company Limited*), an enterprise established in the PRC and a subsidiary of 中國中信集團 (CITIC Group), which owns 10% equity interest in CLBJ as at the Latest Practicable Date
“CITIC Auto Lawsuit”	the lawsuit filed by CITIC Auto in the People’s Court of Chaoyang District of Beijing against CLBJ in relation to a claim for the repayment of shareholder loans and relevant interest in the amount of approximately RMB39.8 million plus other interest and expenses, details of which are set out in the Company’s announcement dated 3 August 2012
“CLBJ”	中信物流有限公司 (CITIC Logistics Company Limited*), a company incorporated in the PRC with limited liability, which is owned as to 90% by the Company and 10% by CITIC Auto as at the Latest Practicable Date
“CLI”	CITIC Logistics (International) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Company”	Sino-Tech International Holdings Limited, a company incorporated in the Bermuda with limited liability, shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 724)
“Completion”	the completion of the Disposal

DEFINITIONS

“Consideration”	the total consideration of HK\$285,000,000 for the Disposal under the Provisional Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property contemplated under the Provisional Agreement
“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 CLBJ
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investigation”	the investigation by relevant authorities in the PRC into certain transactions conducted by Mr. Li in April 2009 prior to his becoming a Shareholder and Director, details of which are set out in the Company’s announcement dated 25 April 2012
“Latest Practicable Date”	19 October 2012 being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Li”	Mr. Li Weimin, a substantial Shareholder, an executive Director (suspended) and the chairman (suspended) of the Company

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this circular only, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Pioneer Blaze”	Pioneer Blaze Limited, a company incorporated in the British Virgin Islands with limited liability, one of the vendors under the 90% Acquisition Agreement
“Property”	the property situated at House No. 8, Severn 8, No. 8 Severn Road, The Peak, Hong Kong
“Property Valuation Report”	the valuation report prepared by Savills Valuation and Professional Services Limited, an independent professional valuer, on the Property, copy of which is annexed as Appendix I to this circular
“Provisional Agreement”	the provisional agreement for sale and purchase of the Property dated 24 September 2012 entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	Ever Mark Limited, a company incorporated in Hong Kong with limited liability, an independent third party of the Company and its connected persons
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened and held by the Company to approve the transactions contemplated under the Provisional Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Vendor”	China LWM Property Limited, a wholly-owned subsidiary of the Company and the sole owner of the Property as at the Latest Practicable Date
“Zhanjiang Projects”	the projects in relation to the provision of raw materials transportation, specialised tanker transportation and related services for the Zhanjiang Steel Base Project
“Zhanjiang Steel Base Project”	the project in relation to the construction of a steel production base at Donghai Island, Zhanjiang, Guangdong Province, the PRC, by 寶鋼湛江鋼鐵有限公司 (Bao Steel Zhangjiang Steel Company Limited*) (the “Bao Steel Project Company”)
“10% Acquisition Agreement”	the acquisition agreement dated 11 February 2011 entered into between CLI (as the purchaser) and CITIC Auto (as the vendor) in relation to the acquisition of 10% equity interest in CLBJ
“90% Acquisition Agreement”	the acquisition agreement dated 11 February 2011 entered into between CLI (as the purchaser), Mr. Li and Pioneer Blaze (both as the vendors) and Mr. Lim Chuan Yang (as the guarantor) in relation to the acquisition of the 90% equity interest in CLBJ
“%”	per cent.

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

LETTER FROM THE BOARD



SINO-TECH INTERNATIONAL HOLDINGS LIMITED

泰豐國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

Executive Directors:

Mr. Li Weimin (*Chairman*) (*Suspended*)
Mr. Lam Yat Keung
Mr. Lim Chuan Yang (*Chief Executive Officer*)
Mr. Huang Hanshui

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Independent Non-Executive Directors:

Mr. Ho Chi Fai
Ms. Liu Yanfang
Professor Ma Hongwei

Principal place of business

in Hong Kong:
Suites 3208-11, Tower 2
Times Square
1 Matheson Street, Causeway Bay
Hong Kong

22 October 2012

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

INTRODUCTION

Reference is made to the Company's announcement dated 25 September 2012, in which, the Board announced that, after arm's length negotiations, on 24 September 2012, the Vendor and the Purchaser entered into the Provisional Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property, at the Consideration of HK\$285,000,000.

* For identification purpose only

LETTER FROM THE BOARD

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide the Shareholders with details of the Provisional Agreement and further information of the Group. The notice of the SGM is set out on pages 30 to 31 of this circular.

PROVISIONAL AGREEMENT

Date

24 September 2012

Parties

Vendor: China LWM Property Limited, a wholly-owned subsidiary of the Company

Purchaser: Ever Mark Limited

Property agent: Centaline Property Agency Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information of the Property

The Property, a 3-storey house, is a residential property located at House No. 8, Severn 8, No. 8 Severn Road, The Peak, Hong Kong with a gross area of approximately 4,650 square feet. The Property was acquired by the Group in 2010 for investment purposes. Severn 8 is a prestigious private residential development comprising 22 garden townhouses with ancillary clubhouse, landscaped garden and recreational facilities. As at the Latest Practicable Date, the Vendor is the sole owner of the Property. According to the Property Valuation Report, a copy of which is annexed as Appendix I to this circular, the valuation of the Property was approximately HK\$320,000,000 as at 22 October 2012.

LETTER FROM THE BOARD

Consideration and payment terms

Pursuant to the Provisional Agreement, the total consideration for the Disposal is HK\$285,000,000, which has been paid and/or shall be payable by the Purchaser to the Vendor in the following manner:

- (i) an initial deposit in the sum of HK\$5,000,000 has been paid upon signing the Provisional Agreement;
- (ii) a further deposit in the sum of HK\$23,500,000 shall be paid within 7 days after the approval by the Shareholders at the SGM; and
- (iii) the remaining balance of HK\$256,500,000 shall be paid upon the date of Completion.

The amount set out in (i) and (ii) above shall be paid by the Purchaser to the Vendor's solicitors as stakeholders who may release the same to the Vendor provided that the resolution in relation to the Disposal is approved by the Shareholders at the SGM and the balance of the purchase price is sufficient to discharge the existing legal charge/mortgage (if any).

In the event that the resolution approving the Disposal fails to be passed by the Shareholders at the SGM within 45 days from the date of the Provisional Agreement, the Provisional Agreement will become void and the Vendor shall have to refund without interest the initial deposit of HK\$5,000,000 as set out in item (i) under the paragraph headed "Consideration and payment terms" above and compensate the Purchaser an additional amount of HK\$5,000,000 within 7 days after the SGM.

The sale and purchase of the Property is jointly arranged by Brothers Property Consultants ("Brothers Property") and Centaline Property Agency Limited ("Centaline Property"), both of which are property agents. The Consideration and the other terms offered by the Purchaser including the completion date of the Disposal were determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to: (i) the valuation of the Property performed by an independent qualified professional property valuer; (ii) the recent transaction prices of properties of similar nature located in the vicinity of the Property as provided by property agents; and (iii) the current Hong Kong property market sentiment. The Directors (including independent non-executive Directors) consider that the Consideration is fair and reasonable.

LETTER FROM THE BOARD

Commissions

Pursuant to the terms of the Provisional Agreement and an exclusive agent agreement entered into between the Vendor and Brothers Property, the Vendor shall pay HK\$2,850,000 as commission to Brothers Property on 8 April 2013 or upon Completion. Separately, the Vendor shall pay HK\$2,850,000 as agent commission to Centaline Property through Brothers Property on 8 April 2013 or upon Completion.

Once the Purchaser and the Vendor have signed the Provisional Agreement, and the resolution to approve the Disposal is passed by the Shareholders at the SGM, if either the Vendor or the Purchaser fails to complete the Provisional Agreement in the manner contained in the Provisional Agreement, save and except due to title defect, the defaulting party shall compensate at once Centaline Property HK\$5,700,000 as liquidated damages.

Once the Purchaser and the Vendor have signed the Provisional Agreement, but the resolution to approve the Disposal is not passed by the Shareholders at the SGM, both the Vendor and the Purchaser shall not compensate Centaline Property.

Both Brothers Property and Centaline Property are third parties independent of the Company and its connected persons.

Conditions precedent of the Provisional Agreement

Pursuant to the terms of the Provisional Agreement, the Disposal shall be subject to the passing of the resolution by the Shareholders at the SGM approving the Disposal within 45 days from the date of the Provisional Agreement.

Completion

Pursuant to the Provisional Agreement, a formal agreement for the sale and purchase of the Property shall be signed within 21 days after the Provisional Agreement is approved by the Shareholders at the SGM. Completion of the Disposal shall take place on 8 April 2013 or such other date agreed by both parties in writing. If any other dates for the completion of the Disposal are agreed, further announcement(s) will be made by the Company as and when appropriate. As set out in item (iii) under the paragraph headed "Consideration and payment terms" above, the balance of HK\$256,500,000 shall be paid upon the date of Completion. The Property shall be sold to the Purchaser on an "as is" basis. Upon Completion, the Vendor shall deliver vacant possession of the Property to the Purchaser.

LETTER FROM THE BOARD

REASONS FOR THE DISPOSAL

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of electronic and electrical parts and components, provision of shipping and transportation logistics services, and property investment.

As announced by the Company on 15 March 2010, the Company acquired the Property at a consideration of HK\$280 million for investment purposes. As set out in the 2012 Interim Report, the carrying value of the Property was HK\$315 million as at 30 June 2012. The Property has been pledged to a bank to secure bank borrowings of the Group. As at 30 September 2012, the total amount of bank borrowings secured by the Property were approximately HK\$146 million. Since the acquisition of the Property, no income has been generated from the Property.

As set out in the 2012 Interim Report, the continuation of the Zhanjiang Projects will give rise to funding needs of the Group. At the same time, the Group is currently facing adversities such as the adverse perception on the image of the Group due to the Investigation, the cessation of using the name and logo of “CITIC” or “中信”, and the CITIC Auto Lawsuit. In addition, the Company understands that the lending bank of the Property is reviewing the facilities and given the situation of the Group, there is a likelihood that the facilities may be terminated. The Company understands that the lending bank is supportive of the Disposal; such that the facilities can be repaid. In the event that the disposal of the Property cannot be accomplished in the near future, the Group may face cash flow constraints which in turn may affect segments of the Group’s businesses.

Having considered the above factors, the Directors believe that the Disposal represents a good opportunity for the Company to realise the Property at a reasonable price and that the proceeds from the Disposal will alleviate the financial position of the Group. The Directors also consider that the transaction under the Provisional Agreement is on normal commercial terms which are fair and reasonable, and the entering into the Provisional Agreement is in the best interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Since the acquisition of the Property, no income has been generated from the Property. As set out in the 2012 Interim Report, the carrying value of the Property was HK\$315 million as at 30 June 2012. The carrying value of the Property as at 30 June 2012 exceeds the Consideration by approximately HK\$30 million.

For illustration purpose only, the financial effects to the Group upon Completion are estimated to be:

- (i) a decrease of non-current assets of HK\$315 million;

LETTER FROM THE BOARD

- (ii) an increase of current assets of approximately HK\$133 million, being net cash generated after repayment of bank borrowings of approximately HK\$146 million as at 30 September 2012 and estimated expenses of approximately HK\$6 million in relation to the Disposal;
- (iii) a decrease in bank borrowings of approximately HK\$146 million as at 30 September 2012; and
- (iv) a loss of approximately HK\$36 million, being the difference between the carrying value of the Property of HK\$315 million as at 30 June 2012 and the Consideration of HK\$285 million after taking account into the estimated expenses of approximately HK\$6 million in relation to the Disposal.

USE OF PROCEEDS

It is expected that the net proceeds from the sale of the Property will be approximately HK\$279 million, among which (i) approximately HK\$146 million will be used to repay the existing bank borrowings secured by the Property as at 30 September 2012; and (ii) approximately HK\$133 million will be used as general working capital of the Group. The Group is still reviewing the situation of the Zhanjiang Projects, and no decision has been made on whether any proceeds from the Disposal will be applied towards the Zhanjiang Projects.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Therefore, the Disposal is subject to reporting, announcement and Shareholders' approval requirements under the Listing Rules.

SGM

The SGM will be convened by the Company at Suites 3208-11, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong at 11:00 a.m. on Tuesday, 6 November 2012 for the purposes of considering, and if thought fit, approving the transactions under the Provisional Agreement by way of poll.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has direct or indirect material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting on the resolutions regarding transactions under the Provisional Agreement.

LETTER FROM THE BOARD

The notice of the SGM is set out on pages 30 to 31 of this circular. A proxy form for use at the SGM is enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for the SGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof.

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Agreement have been negotiated on an arm's length basis and are on normal commercial terms which are fair and reasonable and the entering into the Provisional Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board would recommend the Shareholders to vote in favour of the resolution for approving the transactions under the Provisional Agreement at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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 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

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with its valuation as at 22 October 2012 of the Property.



Savills Valuation and
Professional Services Limited
23/F Two Exchange Square
Central, Hong Kong

T: (852) 2801 6100
F: (852) 2530 0756

EA Licence: C-023750
savills.com

22 October 2012

The Board of Directors
Sino-Tech International Holdings Limited
Suites 3208-11
Tower 2, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Dear Sirs

Re: House No. 8, Severn 8, 8 Severn Road, The Peak, Hong Kong

In accordance with your instructions for us to value the captioned investment property held by Sino-Tech International Holdings Limited (referred to as the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”), we confirm that we have carried out inspection, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of this property as at 22 October 2012 for public circular purpose.

Our valuation is our opinion of the market value of the property which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Our valuation is prepared in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors and in compliance with the requirements of Chapter 5 of the Rules Governing the Listing of Securities published by The Stock Exchange of Hong Kong Limited.

We have valued the property by reference to sales evidence as available on the market assuming that vacant possession of the property would be readily available upon completion of a sale.

We have not been provided with any title document relating to the property but we have caused searches to be made at the Land Registry. We have not, however, inspected the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies obtained by us.

We have relied to a very considerable extent on information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupancy status, floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by the Company that no material facts have been omitted from the information provided.

We have inspected the exterior of the property and where possible, we have also inspected the interior of the premises. However, no structural survey has been made but in the course of our inspection, we did not note any serious defect. We are not, however, able to report that the property is free of rot, infestation or any other structural defect. No test was carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

We enclose herewith our valuation certificate for your attention.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited
Freddie Ling
MRICS MHKIS RPS(GP)
Senior Director

* *Freddie Ling is a qualified surveyor who has about 26 years experience in the valuation of properties in Hong Kong.*

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value In existing state as at 22 October 2012
House No. 8, Severn 8, No. 8 Severn Road, The Peak, Hong Kong.	“Severn 8” is a prestigious private residential development comprising twenty-two garden townhouses with ancillary clubhouse, landscaped garden and recreational facilities.	The property is vacant.	HK\$320,000,000
7,199/144,583rd equal and undivided share of and in Rural Building Lot No. 1148.	<p>House No. 8 of the development is a 3-storey garden townhouse over a carport level of reinforced concrete construction completed in 2005.</p> <p>The gross house area of the property extends to 4,650 sq ft (432.00 sq m) or thereabouts whilst the saleable area extends to 3,581 sq ft (332.68 sq m) or thereabouts.</p> <p>The property also comprises a covered carport on carport level of 1,028 sq ft (95.50 sq m) or thereabouts, electrical rooms and gas meter room on carport level of 270 sq ft (25.08 sq m) or thereabouts, a terrace garden on G/F of 753 sq ft (69.96 sq m) or thereabouts, a front court on G/F of 202 sq ft (18.77 sq m) or thereabouts, a flat roof on roof level of 695 sq ft (64.57 sq m) or thereabouts and an uncovered A/C plant area of 164 sq ft (15.24 sq m) or thereabouts.</p> <p>Rural Building Lot No. 1148 is held from the Government under Conditions of Sale No. UB12560 for a term of 50 years from 29 February 2000 at an annual Government rent at 3% of the rateable value for the time being of the lot.</p>		

- Notes:*
- (1) The registered owner of the property is China LWM Property Limited, a wholly-owned subsidiary of the Company.
 - (2) The property is subject to a mortgage and a rental assignment both in favour of Hang Seng Bank Limited.
 - (3) The property currently lies within an area zoned “Residential (Group C) 3” on The Peak Area Outline Zoning Plan No. S/H14/11.
 - (4) Our inspection was carried out by Mr. Bosco Cheung, on 5 October 2012. The property was maintained in a reasonable condition commensurate with its age and uses and equipped with normal building services.

INDEBTEDNESS**I. Indebtedness**

At the close of business on 30 September 2012, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had (i) outstanding bank borrowings in the amount of approximately HK\$146 million which are secured by the Property and guaranteed by the Company; (ii) other borrowing from an independent third party in the amount of HK\$7 million which is guaranteed by the Company; (iii) interest-free outstanding shareholder loan due to Pioneer Blaze in the amount of approximately HK\$56 million; (iv) obligations under finance lease in the amount of approximately HK\$16,000 secured by the lessor's charge over the leased assets; (v) shareholder loans due to CITIC Auto recorded by CLB J in the amount of approximately HK\$29 million; and (vi) zero coupon convertible notes due on 15 November 2014 in the aggregate principal amount of approximately HK\$302 million with an initial conversion price of HK\$0.12 per conversion share.

II. Contingent liabilities

- (i) As set out in the Company's interim report for the six months ended 30 June 2012, on 15 July 2009, one of the subsidiaries of Classic Line International Limited ("Classic Line"), a former subsidiary of the Company, has been and is the subject of a judgment (in the amount of US\$13.5 million) obtained in a United States court in an action in respect of damages allegedly arising out of use of fire lighters sold by the subsidiary of Classic Line. The Company is one of the co-defendants in the case. On 28 September 2009, the Company entered into an agreement to dispose of the entire equity interest in Classic Line and the disposal was completed on 31 October 2009.

Based on the legal advice received by the Company, the Directors considered that the Company has valid grounds in opposing the enforcement of any judgment of the said case against the Company, if obtained, in Hong Kong and Bermuda. Accordingly, no provision has been made in the condensed consolidated financial statements for the six months ended 30 June 2012.

- (ii) As set out in the Company's announcement dated 3 August 2012, CITIC Auto filed a lawsuit in the People's Court of Chaoyang District of Beijing (the "Beijing Court") against CLBJ in relation to a claim for the repayment of shareholder loans and relevant interest (the "CITIC Auto Loan") in the amount of approximately RMB39.8 million plus other interest and expenses (the "CITIC Auto Claim"). In connection with the CITIC Auto Lawsuit, trade receivables due from 中信國華國際工程承包有限責任公司 (CITIC International Contracting Inc.*) ("CITIC Contracting") to CLI and CLBJ in the amount of approximately US\$3.3 million and RMB3.1 million respectively and one of CLBJ's bank accounts with an amount of approximately RMB244,000 had been frozen at the request of the Beijing Court.

Details of the CITIC Auto Lawsuit are set out in paragraphs headed "Litigations" under Appendix III "General Information" to this circular.

- (iii) On 13 September 2012 and 17 September 2012, CLBJ received notices from 北京市勞動爭議仲裁委員會 (Beijing Labor Dispute Arbitration Committee*) dated 10 September 2012 and 北京市朝陽區勞動爭議仲裁委員會 (Beijing Chaoyang District Labor Dispute Arbitration Committee*) dated 3 September 2012 respectively regarding labor disputes between CLBJ and its employees (the "Labor Disputes"). Hearings of the Labor Disputes are scheduled on 18 October 2012 and 30 October 2012. Based on the information available to CLBJ, the Labor Disputes entail claims for a total amount of approximately RMB686,000.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into HK\$ at the exchange rate prevailing at the close of business on 30 September 2012.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as at the close of business on 30 September 2012, the Group did not have any loan capital issued and outstanding, or authorised or otherwise created but unissued or agreed to be issued, any term loans (secured, unsecured, guaranteed or not), bank overdrafts, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills and payables) or acceptable credits, debentures, mortgages, charges, hire purchase or other finance lease commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseen circumstances, having taken into account the estimated net proceeds received from the sale of the Property, the cashflow generated from the existing business operations, its internal resources and the existing available credit facilities of the Group, the Group will have sufficient working capital for the next 12 months from the date of this circular for its present requirements without taking into account the funding needs for the Zhanjiang Projects and the financial consequence in case that the Zhanjiang Projects are terminated.

The continuation of the Zhanjiang Projects would give rise to funding needs depending on the construction schedule and progress of the Zhanjiang Steel Base Project, which is beyond the control of the Group. Taking into account the continuation of the Zhanjiang Projects, the Group may not have sufficient working capital for the next 12 months from the date of this circular. In view of the foregoing, the Group may have to raise additional funds in the capital and/or debt markets in the future. The Directors have not determined whether the Group would or could continue with the Zhanjiang Projects and are taking professional advice for the way forward whilst keeping in dialogue with the Bao Steel Project Company.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of electronic and electrical parts and components, provision of shipping and transportation logistics services, and property investment.

As announced by the Company on 25 April 2012 and 14 June 2012, Mr. Li is assisting the relevant authorities in the PRC in the Investigation into certain transactions conducted by him in April 2009 prior to his becoming a Shareholder and a Director. The Company has set up a special committee to handle matters which may arise from and relate to the Investigation. With effect from 16 May 2012, Mr. Li has been suspended from acting as the Chairman and an executive Director of the Company pursuant to the bye-laws of the Company.

As set out in the 2012 Interim Report, the Group began the year of 2012 expecting a challenging operating environment given an uncertain global economic outlook. Among other matters, the European debt crisis remains a lingering concern, the economic recovery in the US appears feeble and the emerging economies led by China are slowing down. Going into the second half of 2012, there appears no turnaround in sight and the outlook remains dependent on fiscal stimulus measures and efforts to contain the Eurozone crisis.

Electronic products segment

The global economy did not show any signs of improvement during the first half of 2012, and instead demand continued to shrink even further. The sovereign debt crisis in Europe, the continuous tightening policy in the PRC and the severe market competition also led to the significant drop in demand. The electronic products segment had tightened its overhead costs but this was still unable to compensate for the drop in turnover. During the six months period ended 30 June 2012, the electronic products segment of the Group experienced a sharp decrease in turnover and recorded a widened segment loss.

In order to enable the Group to face this tough economy and business environment, the Group will try to streamline its electronic products operation, concentrate on products with higher profit margin and lower the inventory level in order to increase working capital flow and to control and improve the operating performance of the electronic products segment.

Logistics services segment

As disclosed in the Company's circular dated 28 February 2011, an arbitration claim (the "Angola Arbitration") against CLBJ was filed by a former handling agent of CLBJ. Due to the Angola Arbitration, the shipping services provided by CLI to transport construction materials from the PRC to the Republic of Angola (the "Angola Project") were suspended. As announced by the Company on 3 November 2011 and its audited annual report for the year ended 31 December 2011, CLBJ received the arbitral decision for the Angola Arbitration (the "Arbitration Decision") from China Maritime Arbitration Commission, pursuant to which the claims under the Angola Arbitration had been fully settled by the end of 30 March 2012. Since receiving the Arbitration Decision, CLI and CLBJ have been in discussion with CITIC Contracting to seek the resumption of shipping services for the Angola Project. The Directors are mindful that the cooperation between CITIC Contracting relating to the Angola Project has been suspended for a pro-longed period. Further, the Investigation may have generated an adverse perception on the image of the Group. As such, the Board continues to believe that there is a risk that shipping services for the Angola Project may not be resumed. The Board also notes that the service agreement entered into between CLBJ and CITIC Contracting for the Angola Project will expire in April 2013.

On 2 August 2012, CLBJ was informed by the Beijing Court that CITIC Auto filed a lawsuit in the Beijing Court against CLBJ in relation to a claim for the repayment of shareholder loans and relevant interest in the amount of approximately RMB39.8 million plus other interest and expenses. In connection with the CITIC Auto Lawsuit, trade receivables due from CITIC Contracting to CLI and CLBJ in the amount of approximately US\$3.3 million and RMB3.1 million respectively (the "CITIC Contracting Overdue") were frozen pursuant to a court order. Details regarding the CITIC Auto Lawsuit are set out in the paragraph headed "Litigations" under Appendix III "General Information" to this circular.

As announced by the Company on 3 August 2012, CITIC Auto, which owns 10% equity interest in CLBJ, required that CLBJ and Fritz cease to use the logo and the name of "CITIC" or "中信". CLBJ and Fritz are taking necessary steps to change the relevant names and logos.

As announced by the Company on 19 June 2012, the exclusive period of eight years for the Zhanjiang Projects should commence after CLBJ has received the formal notice from the Bao Steel Project Company informing CLBJ that the construction of the Zhanjiang Steel Base Project has formally commenced. The investment by the Group in the Zhanjiang Projects would be invested in phases and depend on the construction schedule and the production capacity plan of the Zhanjiang Steel Base Project, which is beyond the control of the Group. As set out in the valuation report included in the Company's circular dated 28 February 2011, it was estimated that the total investment/capital expenditure in the Zhanjiang Projects would be approximately over RMB490 million. The 90% Acquisition Agreement was completed in November 2011. During the course of the preparation of the updated valuation for the Zhanjiang Projects included in the Company's annual report for the year ended 31 December 2011, based on the then communications between CLBJ and the Bao Steel Project Company, management of CLBJ understood that the Zhanjiang Steel Base Project had been subject to continuous modifications, and the then estimated total investment/capital expenditure in the Zhanjiang Projects would be revised to approximately RMB466 million. It was estimated that the total amount of approximately RMB466 million would be invested in three phases over a span of time of around four years, with approximately RMB207 million, RMB178 million and RMB81 million to be invested in the first, second and fourth year respectively.

On 22 August 2012, CLBJ received a notice by way of a fax dated 21 August 2012 from the Bao Steel Project Company informing CLBJ that the construction of the Zhanjiang Steel Base Project had formally commenced on 31 May 2012. CLBJ is seeking legal clarification as to the precise commencement date of the Zhanjiang Projects and the relevant implications. Based on the latest communication with the Bao Steel Project Company, during which representatives of the Group and its advisers met with representatives of the Bao Steel Project Company, the Company understands that the cessation of using the name of "CITIC" or "中信" by CLBJ may affect the continuation of the Zhanjiang Projects, and the Bao Steel Project Company is revising the construction schedule of the Zhanjiang Steel Base Project. As at the Latest Practicable Date, which is the latest status, the Company has not received any revised construction schedule and capacity production plan of the Zhanjiang Steel Base Project, and the Directors have not determined whether the Group would or could continue with the Zhanjiang Projects and are taking professional advice for the way forward whilst keeping in dialogue with the Bao Steel Project Company.

As set out in the 2012 Interim Report, besides the tough operating environment, the Board believes that some other factors may have an impact on the logistics services business of the Group, including the Investigation, the cessation of using the name and logo of "CITIC" or "中信", and the CITIC Auto Lawsuit. In addition, as set out above, the continuation of the Zhanjiang Projects would give rise to funding needs depending on the construction schedule and progress of the Zhanjiang Steel Base Project.

The Investigation may have generated an adverse perception on the image of the Group. The Board is assessing how the cessation of using the name and logo of “CITIC” or “中信” may affect the existing logistics services contracts for CLBJ and Fritz. The CITIC Auto Lawsuit may affect the financial conditions and hence business operation of CLBJ depending on the amount being awarded to CITIC Auto and whether the vendors and the guarantor to the 90% Acquisition Agreement are able to indemnify the Group in cash for any amount in excess of the Recorded CITIC Auto Loan. As set out in paragraphs headed “Litigations” under the Appendix III “General Information” to this circular, in connection with the CITIC Auto Lawsuit, the trade receivables in the amount of approximately US\$3.3 million due from CITIC Contracting to CLI have been frozen at the request of the Beijing Court. CLBJ is a limited liability company incorporated in the PRC and none of the Company and other members of the Group has given any guarantee in respect of CLBJ. As such, the Board believes that currently, except for CLBJ and CLI, the CITIC Auto Lawsuit will not have financial and operations impacts on the rest of the Group.

Nonetheless, the Group will work to minimize the adverse impacts as mentioned above. Besides, the Group will critically review existing logistics projects. The Company will also examine the debt levels of the Group and seek professional assistance where appropriate.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the shares and underlying shares of the Company:

Name of Directors	Capacity	Number of shares and underlying shares held	Percentage of shareholding
Mr. Li Weimin <i>(Note 1)</i>	Beneficial owner	4,262,985,823	35.62%
Mr. Lam Yat Keung <i>(Note 2)</i>	Interest of family	612,400,000	5.12%
Mr. Lim Chuan Yang <i>(Note 3)</i>	Beneficial owner and interest of controlled corporation	574,065,409	4.80%
Mr. Huang Hanshui <i>(Note 4)</i>	Beneficial owner	86,827,895	0.73%

Notes:

1. Mr. Li Weimin, an executive Director (suspended), is interested in 4,262,985,823 Shares, consisting of (i) an interest in 1,742,985,823 Shares beneficially owned and held in his own name; and (ii) a derivative interest in 2,520,000,000 conversion shares to be allotted and issued upon full conversion of the convertible notes issued to him by the Company in the principal amount of HK\$302,400,000.
2. Mr. Lam Yat Keung, an executive Director, is deemed interested in 612,400,000 Shares owned by Smart Number Investments Limited (“Smart Number”), a company incorporated in the British Virgin Islands. The entire issued share capital of Smart Number is beneficially owned as to 66.67% by Ms. Lam Pik Wah (the spouse of Mr. Lam Yat Keung) and as to 33.33% by Mr. Lam Hung Kit.
3. Mr. Lim Chuan Yang was appointed as an executive Director on 1 January 2012. Mr. Lim Chuan Yang is interested in 574,065,409 Shares, consisting of (i) an interest in 460,923,259 Shares owned by Pioneer Blaze, the entire issued share capital of Pioneer Blaze is beneficially and wholly owned by Mr. Lim Chuan Yang; and (ii) a derivative interest in 113,142,150 Shares pursuant to share options granted to him on 30 November 2011.
4. Mr. Huang Hanshui, an executive Director, has a derivative interest in 86,827,895 Shares pursuant to share options granted to him on 6 December 2010.

Long positions in the shares of 中信物流飛馳有限公司 (CITIC Logistics Fritz Company Limited*) which is a subsidiary of the Company

Name of Director	Capacity	Number of shares held	Percentage of shareholding
Mr. Li Weimin	Beneficial owner	185	5%

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executives of the Company were not aware of any other persons (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would require to be disclosed to the Company pursuant to Part XV of the SFO; or which were recorded in the register required to be kept under Section 336 of the SFO.

COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in a business which competes or may compete with the business of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

LITIGATIONS

Saved as disclosed below, as at the Latest Practicable Date, the Group was not engaged in any litigation or claim of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against the Group.

- (i) As set out in the Company's interim report for the six months ended 30 June 2012, on 15 July 2009, one of the subsidiaries of Classic Line International Limited ("Classic Line"), a former subsidiary of the Company, has been and is the subject of a judgment (in the amount of US\$13.5 million) obtained in a United States court in an action in respect of damages allegedly arising out of use of fire lighters sold by the subsidiary of Classic Line. The Company is one of the co-defendants in the case. On 28 September 2009, the Company entered into an agreement to dispose of the entire equity interest in Classic Line and the disposal was completed on 31 October 2009.

Based on the legal advice received by the Company, the Directors considered that the Company has valid grounds in opposing the enforcement of any judgment of the said case against the Company, if obtained, in Hong Kong and Bermuda. Accordingly, no provision has been made in the condensed consolidated financial statements for the six months ended 30 June 2012.

- (ii) As announced by the Company on 3 August 2012, CITIC Auto filed a lawsuit in the Beijing Court against CLB J in relation to a claim for the repayment of shareholder loans and relevant interest in the amount of approximately RMB39.8 million plus other interest and expenses. According to the court documents received by CLB J, the CITIC Auto Claim in the amount of approximately RMB39.8 million consists of the principal of approximately RMB24.2 million and the interest accrued of approximately RMB15.6 million.

CLBJ is owned as to 90% by the Company and 10% by CITIC Auto. The CITIC Auto Loan was made to CLBJ by CITIC Auto before CLBJ became a subsidiary of the Company during the time when Mr. Li was still the chief executive officer, a shareholder and a former director of CLBJ. As the CITIC Auto Lawsuit unveiled, the Company sought information from CLBJ and understands that the accounts of the CITIC Auto Loan by CLBJ were prepared under the instruction of Mr. Li. The CITIC Auto Loan was recorded by CLBJ as approximately RMB23.3 million in its management accounts for the purpose of the 90% Acquisition Agreement and in the completion accounts upon completion of the 90% Acquisition Agreement (the “Recorded CITIC Auto Loan”). The Company is currently unable to clarify with Mr. Li regarding the differences between the Recorded CITIC Auto Loan and the CITIC Auto Claim (the “Discrepancies”).

In connection with the CITIC Auto Lawsuit, pursuant to a civil order dated 5 July 2012 served upon CLBJ, the Beijing Court has accepted the application by CITIC Auto for property attachment prior to lawsuit (訴前資產保全) to freeze CLBJ’s bank accounts in the amount of RMB39.8 million or other assets under the name of CLBJ. According to information provided by CITIC Contracting to CLBJ, the Beijing Court issued an assistance execution notice (協助執行通知書) dated 23 July 2012 to CITIC Contracting, pursuant to which CITIC Contracting was required to freeze the trade receivables due from CITIC Contracting to CLI and CLBJ in the amount of approximately US\$3.3 million and RMB3.1 million respectively (the “CITIC Contracting Overdue”). The CITIC Contracting Overdue arose from the logistics services provided by CLI and CLBJ for the Angola Project. Without the prior permission from the Beijing Court, CITIC Contracting shall not make any payment of the CITIC Contracting Overdue to CLI and CLBJ.

In addition, in connection with the CITIC Auto Lawsuit, a CLBJ’s bank informed CLBJ that at the request of the Beijing Court, one of CLBJ’s bank accounts (the “Frozen Bank Account”) with an amount of approximately RMB243,668 had been frozen. As at the Latest Practicable Date, except for the Frozen Bank Account and the CITIC Contracting Overdue, the Group is not aware of any other bank accounts or assets under the name of CLBJ that have been or would be frozen as a result of the application made by CITIC Auto to the Beijing Court.

The court hearings regarding the CITIC Auto Lawsuit were held on 22 August 2012, 3 September 2012 and 10 October 2012. Of the CITIC Contracting Overdue, approximately US\$3.3 million were trade receivables due from CITIC Contracting to CLI arising from the logistics services provided by CLI for the Angola Project, which should not be frozen by the reason of the lawsuit regarding shareholders loans between CLBJ and CITIC Auto. CLI has made an application to the Beijing Court to raise an objection to the freeze of the aforesaid US\$3.3 million. At the same time, CLBJ has been in discussion with CITIC Auto regarding the possibility of the settlement of the CITIC Auto Claim. As at the Latest Practicable Date, CLBJ had neither reached any agreements regarding the settlement of CITIC Auto Lawsuit nor received any judgment from the Beijing Court regarding the CITIC Auto Lawsuit. Further announcement(s) will be made by the Company regarding the CITIC Auto Lawsuit as and when appropriate.

Based on the advice from the Company's lawyer, pursuant to the 90% Acquisition Agreement, Mr. Li and Pioneer Blaze, as the vendors under the 90% Acquisition Agreement, shall jointly and severally undertake and indemnify fully the Group any loss and damages arising from the Discrepancies. After CLBJ receives the court judgment regarding the CITIC Auto Lawsuit, the Company will consult its lawyer regarding the indemnity from Mr. Li and Pioneer Blaze and Mr. Lim Chuan Yang (as the guarantor) in the event that the Group suffers any losses as a result of the Discrepancies.

- (iii) On 13 September 2012 and 17 September 2012, CLBJ received notices from 北京市勞動爭議仲裁委員會 (Beijing Labor Dispute Arbitration Committee*) dated 10 September 2012 and 北京市朝陽區勞動爭議仲裁委員會 (Beijing Chaoyang District Labor Dispute Arbitration Committee*) dated 3 September 2012 respectively regarding labor disputes between CLBJ and its employees (the "Labor Disputes"). Hearings of the Labor Disputes are scheduled on 18 October 2012 and 30 October 2012. Based on the information available to CLBJ, the Labor Disputes entail claims for a total amount of approximately RMB686,000.

THE EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion or advice which is contained in this circular.

Name	Qualification
Savills Valuation and Professional Services Limited ("Savills")	Chartered surveyors and independent valuer

Savills has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and valuation certificate and reference to its name in the form and context in which they respectively appear.

Savills does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date.

Savills does not have any direct or indirect interests in any assets which have been, since 31 December 2011 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

SECRETARY OF THE COMPANY

The secretary of the Company is Mr. Chan Chun Fat (“Mr. Chan”). Mr. Chan is a member of The Law Society of Hong Kong and a practising solicitor in Hong Kong.

MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the 90% Acquisition Agreement dated 11 February 2011 entered into between CLI as the purchaser, Mr. Li and Pioneer Blaze as the vendors, and Mr. Lim Chuan Yang as the guarantor in relation to the acquisition of 90% equity interest in CLBJ, details of which are set out in the Company’s circular dated 28 February 2011;
- (b) the 10% Acquisition Agreement dated 11 February 2011 entered into between CLI as the purchaser and CITIC Auto as the vendor in relation to the acquisition of 10% equity interest in CLBJ, details of which are set out in the Company’s circular dated 28 February 2011;
- (c) the agreement dated 30 June 2011 entered into between the Company and CLBJ in respect of the provision of the guarantee in the maximum amount of RMB3,300,000 provided by the Company by way of an irrevocable standby letter of credit in favour of Bank of China, Huizhou Branch, the PRC, details of which are set out in the Company’s announcement dated 30 June 2011; and
- (d) the Provisional Agreement.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:30 a.m. to 5:30 p.m. (save for Saturdays, Sundays and public holidays) at the principal place of business in Hong Kong of the Company at Suites 3208-11, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong for a period of 14 days from the date of this circular including the date of the SGM:

- the Company’s memorandum of association and bye-laws;
- the material contracts referred to in the section headed “Material Contracts” in this appendix;
- the valuation certificate and report of the Property included in Appendix I to this circular;
- the written consent referred to under the section headed “the Expert and Consent” in this appendix;
- the annual reports of the Company for the two years ended 31 December 2010 and 2011; and
- this circular.

MISCELLANEOUS

- The business address of the Company is at Suites 3208-11, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.
- The English text of this circular prevails over the Chinese text in case of inconsistency.

NOTICE OF THE SPECIAL GENERAL MEETING



SINO-TECH INTERNATIONAL HOLDINGS LIMITED

泰豐國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of the shareholders of Sino-Tech International Holdings Limited (the “Company”) will be held at 11:00 a.m. on Tuesday, 6 November 2012 at Suites 3208-11, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions of the Company:

ORDINARY RESOLUTIONS

“THAT:

- (1) the provisional agreement (the “Provisional Agreement”) (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) dated 24 September 2012 entered into between Ever Mark Limited, as the purchaser, and China LWM Property Limited, a wholly-owned subsidiary of the Company, as the vendor relating to the disposal of the property situated on House No. 8, Severn 8, No. 8 Severn Road, The Peak, Hong Kong at the total consideration of HK\$285,000,000, be and is hereby approved, confirmed and ratified, and all transactions contemplated thereunder be and are hereby approved; and
- (2) any one or more Director(s) be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents which he/they consider(s) necessary, desirable or expedient to give effect to the Provisional Agreement and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

By order of the Board

Sino-Tech International Holdings Limited

Huang Hanshui

Executive Director

Hong Kong, 22 October 2012

* For identification purpose only

NOTICE OF THE SPECIAL GENERAL MEETING

Note:

1. A member of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the SGM. A proxy need not be a member of the Company.
2. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon.
3. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be delivered to the Company's branch registrar, Tricor Tengis Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the SGM or any adjournment thereof.
4. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the SGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The form of proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
6. Where there are joint holders of any shares of the Company any one of such joint holder may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such holders be present at the SGM the vote of the senior who tenders a vote, whether in personal or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As at the date of this notice, the board 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.