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SINOTRONICS HOLDINGS LIMITED

華翔微電子控股有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1195

ISSUE OF UP TO US\$15,000,000 2 PER CENT. UNLISTED AND UNSECURED CONVERTIBLE BONDS DUE 2008 AND RESUMPTION OF TRADING OF SHARES

On 27 April, 2005, the Company and CSFB entered into the Subscription Agreement in relation to the subscription of Bonds.

Under the Subscription Agreement, among other things, (i) the Company agreed to issue and CSFB agreed to purchase the Original Tranche 1 Bonds with an aggregate principal amount of US\$10,000,000 (equivalent to approximately HK\$77,995,000) and (ii) the Company granted to CSFB an option to require the Company to issue the Additional Tranche 1 Bonds in the principal amount of up to US\$5,000,000 (equivalent to approximately HK\$38,997,500).

The Bonds bear interest at the rate of 2 per cent. per annum and have a three-year term.

Completion of the issue of the Bonds is subject to certain conditions which are set out in the paragraph headed "Conditions" below.

The Bonds are convertible into Shares at a conversion price equal to, at the election of CSFB, either (i) the Fixed Conversion Price; or (ii) the Floating Conversion Price.

Pursuant to the Subscription Agreement, the Company has also granted the Subscription Right to CSFB, pursuant to which CSFB is entitled to subscribe for Shares. The Subscription Right is exercisable by CSFB at any time from and including, in respect of the Original Tranche 1 Bonds, the Original Tranche 1 Bonds Closing Date up to and including the Maturity Date and in respect of the Additional Tranche 1 Bonds, the Additional Tranche 1 Bonds Closing Date up to and including the Maturity Date.

The terms of the Subscription Agreement were negotiated on an arm's length basis and the Directors, including independent non-executive Directors, believe that they are fair and reasonable so far as the Company is concerned and in the interest of the shareholders of the Company.

The Original Tranche 1 Bonds will be issued and the Subscription Right in respect of the Original Tranche 1 Bonds will be granted pursuant to the Existing General Mandate. The issue of the Additional Tranche 1 Bonds or the grant of the Subscription Right in respect of the Additional Tranche 1 Bonds is subject to the approval of the shareholders of the Company.

At the request the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on 28 April 2005 pending release of this announcement. Application for the resumption of trading in the Shares has been made by the Company to the Stock Exchange to the effect that trading in the Shares will resume at 9:30 a.m. on 6 May 2005.

SUBSCRIPTION AGREEMENT

Date:

27 April, 2005

Issuer:

The Company

Bonds to be issued:

Up to US\$15,000,000 (equivalent to approximately HK\$116,992,500) 2 per cent. unlisted and unsecured convertible bonds due 2008 to be issued in up to two tranches.

Form of Bonds/Options for the issue of the Additional Tranche 1 Bonds

The convertible bonds shall be issued in one tranche with the Original Tranche 1 Bonds being issued on the Original Tranche 1 Bonds Closing Date.

The Company has granted an option to CSFB under the Subscription Agreement to require the Company to issue the Additional Tranche 1 Bonds.

CSFB may exercise such option once at any time during the three-year period commencing on the Original Tranche 1 Bonds Closing Date. The aggregate principal amount of the Additional Tranche 1 Bonds to be issued pursuant to the exercise of such option by CSFB shall not exceed US\$5,000,000 (equivalent to approximately HK\$38,997,500). The Additional Tranche 1 Bonds shall be issued by the Company within 10 business days after exercise of such option by CSFB.

The Additional Tranche 1 Bonds shall, if issued, be on substantially the same terms as the Original Tranche 1 Bonds set out below save for, among other things, the number of Shares to be issued upon conversion. A separate announcement will be issued by the Company if the Additional Tranche 1 Bonds are to be issued.

Subscriber of the Bonds:

CSFB, an independent third party which is not a connected person of the Company (as defined in the Listing Rules).

Principal amount of Original Tranche 1 Bonds:

US\$10,000,000 (equivalent to approximately HK\$77,995,000), payable in cash by CSFB on the Original Tranche 1 Bonds Closing Date.

Original Tranche 1 Bonds Closing Date:

27 April, 2005

Principal terms of the Bonds:

Maturity:

The third anniversary of the issue date of the Bonds.

Unless previously redeemed, converted or purchased and cancelled, the Tranche 1 Bonds shall be redeemed by the Company at 100 per cent. of their principal amount at the relevant maturity date.

Interest:

The Bonds bear interest from the Original Tranche 1 Bonds Closing Date in respect of the Original Tranche 1 Bonds and from the Additional Tranche 1 Bonds Closing Date in respect of the Additional Tranche 1 Bonds at the rate of 2 per cent. per annum. Interest is payable semi-annually in arrears. The effective annual interest rate is 2.01 per cent.

Transferability:

CSFB agrees with the Company that it shall not assign or transfer any of the Bonds to any third party other than its subsidiary or holding company or subsidiary of such a holding company without the prior written consent of the Company. The Company will notify the Stock Exchange when they are aware of any dealings in the Bonds by connected persons (as defined in the Listing Rules) of the Company.

Conversion price:

At the election of CSFB, either at (i) the Fixed Conversion Price; or (ii) the Floating Conversion Price, provided that the conversion price shall not be less than the par value of the Shares on the date of conversion unless permitted by law and in compliance with the Listing Rules.

Conversion period:

Bonds may be converted, at the election of CSFB, at any time from and including the date falling two calendar months after the Original Tranche 1 Bonds Closing Date (or the Additional Tranche 1 Bonds Closing Date in respect of the Additional Tranche 1 Bonds, if issued) up to the close of business on the day falling three weeks prior to the Maturity Date by serving a conversion notice on the Company. Certificates in respect of the new Shares issued upon conversion shall be delivered within 2 business days after the Delivery Date as defined in the terms and conditions of the Bonds.

Conversion shares:

The Original Tranche 1 Bonds (and the Additional Tranche 1 Bonds, if issued) are convertible into new Shares at the election of CSFB at either (i) the Fixed Conversion Price, or (ii) the Floating Conversion Price, in each case at any time during the relevant conversion period (as set out above). Such Shares which fall to be issued on conversion of the Bonds shall rank pari passu in all respects with Shares in issue on the date of issue of such Shares pursuant to the conversion.

Early Redemption:

If at any time during the relevant conversion period (as set out above), the closing price per Share is less than or equal to 65% of the Base Price (the “**Downside Price**”) on a business day, the Company may redeem any Bonds presented for conversion on the immediate following date in cash in an amount equal to the number of days elapsed from (and including) the relevant closing date to (and including) the date of redemption of the Bonds divided by 365 multiplied by 6% of the principal amount of the Bonds and then plus the principal amount of the Bonds plus all the interest accrued on the Bonds presented for conversion to the date of redemption (the “**Downside Option**”). In respect of the Original Tranche 1 Bonds, the Downside Price is approximately HK\$0.59. Discretion is vested on the Company to consider whether or not to exercise the Downside Option. CSFB agrees that the Company is at a discretion to exercise the Downside Option pursuant to the Subscription Agreement. In determining whether the Company will exercise such right, the Directors will consider, among others, the market condition and the interests of the Company and the Shareholders as a whole including any dilution effect on the Shareholders.

If at any time during the relevant conversion period (as set out above), the closing price per Share is less than or equal to 40% of the Base Price (the “**Put Price**”) for 10 consecutive business days, the Company agree that CSFB shall not have the right at such time to require the Company to convert any Bond at conversion price less than or equal to the Put Price and further agree that CSFB may, by giving not less than 5 business days’ notice to the Company, require the Company to redeem the Bonds in cash in an

amount equal to 100% of the principal amount of the Bonds plus accrued interests, provided that the Company shall not be required to redeem Bonds of principal amount of more than US\$2,000,000 in any calendar month. In respect of the Tranche 1 Bonds, the Put Price is approximately HK\$0.36 per Share.

The above terms have been agreed between the Company and CSFB after arm's length negotiations.

Conditions:

The obligation of CSFB to subscribe the Original Tranche 1 Bonds and the Additional Tranche 1 Bonds is conditional on, among other things, the satisfaction of certain conditions, including:

- (i) if required under the applicable laws and rules of the relevant regulatory body, the obtaining of the approval from the shareholders of the Company for the issue of the relevant Bonds and/or the issue and allotment of the new Shares and/or the conversion of the relevant Bonds into Shares not less than one business day prior to the closing date for the relevant Bonds; and
- (ii) the delivery by the Company to CSFB of certain documents specified in the Subscription Agreement by the closing date for the relevant Bonds. These documents include legal opinions in relation to, inter alia, the due incorporation of the Company, the power and authority of the Company to enter into the Subscription Agreement and whether consent or approval of any authority in the Cayman Islands is required for the execution of the Subscription Agreement and a comfort letter from the auditors of the Company in relation to the financial position of the Company (including whether there was any significant events which had a material impact on the borrowings of the Group or issued share capital of the Company since the last audited financial statements of the Company).

Failure to obtain listing approval:

If the Company has not obtained approval from the Stock Exchange for the listing on the Stock Exchange of the new Shares to be issued upon conversion of any of the Bonds and the number of Shares that could be required to be issued under the terms of the relevant Bonds by no later than 14 calendar days after the relevant closing date for the Bonds, then upon not less than 2 business days' written notice, CSFB may require the Company to repurchase all of the relevant Bonds held by it at 110 per cent. of their principal amount plus accrued interest.

Subscription right:

Pursuant to the Subscription Agreement, the Company also granted to CSFB an unconditional option upon the issue of the Original Tranche 1 Bonds and the Additional Tranche 1 Bonds on the following terms:

- (1) Exercise period: from and including the closing date of the relevant Bonds up to and including the Maturity Date
- (2) Exercise price: 110 per cent. of the Base Price of the relevant Bonds
- (3) Maximum number of Shares to be subscribed: up to 15% of the principal amount of the relevant Bonds issued as at, where applicable, the Original Tranche 1 Bonds Closing Date or the Additional Tranche 1 Bonds Closing Date divided by the Base Price (HK\$0.9017)

There is no prescribed sequence for conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Rights in respect of the Original Tranche 1 Bonds.

General mandate:

The maximum number of new Shares which may be issued upon conversion of the Original Tranche 1 Bonds based on the Fixed Conversion Price is 66,537,280 (applying the Relevant Exchange Rate) (being the principal amount of the Original Tranche 1 Bonds divided by 130% of the Base Price) representing approximately 14.2 per cent. and approximately 12.5 per cent. of the existing issued share capital (467,625,000 Shares) and the enlarged issued share capital respectively. Upon exercise of the Subscription Right in respect of the Original Tranche 1 Bonds in full (applying the Relevant Exchange Rate) (being 15% of the principal amount of the Original Tranche 1 Bonds divided by the Base Price), 12,974,659 new Shares, representing approximately 2.8 per cent., approximately 2.4 per cent. and approximately 2.4 per cent. of the existing issued share capital, the enlarged issued share capital upon conversion of the Original Tranche 1 Bonds and the enlarged issued share capital upon conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds respectively, will be issued by the Company. The total number of Shares which may be issued upon full conversion of the Original Tranche 1 Bonds and the exercise in full of the Subscription Right in respect of the Original Tranche 1 Bonds based on the Fixed Conversion Price is 79,511,939 Shares, representing approximately 17 per cent. and approximately 14.5 per cent. of the existing issued share capital and the enlarged issued share capital respectively, which Shares, will be issued pursuant to the Existing General Mandate.

The maximum number of new Shares which may be issued upon conversion of the Original Tranche 1 Bonds based on the Floating Conversion Price cannot be ascertained at present because the Floating Conversion Price can only be determined when the notice of conversion is issued by CSFB. In any event, the Company and CSFB agree that the maximum number of Shares to be issued pursuant to the conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds will not exceed 93,525,000 Shares, i.e. the threshold of the Existing General Mandate which is applicable to the Shares to be issued upon conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds. CSFB has been informed by the Company and CSFB and the Company agree that the Company will exercise the Downside Option to redeem the remaining balance of the Original Tranche 1 Bonds if the number of Shares to be issued pursuant the conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds will exceed 93,525,000 Shares. The mechanism and the relevant formula to redeem the remaining balance of the Original Tranche 1 Bonds is the same as the mechanism and formula set out in the paragraph headed “Early Redemption” above. The threshold of the Existing General Mandate (i.e. 93,525,000 Shares) is only applicable to the Original Tranche 1 Bonds and the Subscription Right in respect of the Original Tranche 1 Bonds.

If CSFB exercises its option to require the Company to issue the Additional Tranche 1 Bonds in full, the maximum number of new Shares which may be issued upon conversion of the Additional Tranche 1 Bonds based on the Fixed Conversion Price is 33,268,640 (applying the Relevant Exchange Rate) (being the principal amount of the Additional Tranche 1 Bonds divided by 130% of the Base Price) representing approximately 7.1 per cent., approximately 6.2 per cent. and approximately 6.1 per cent. of the existing issued share capital, the enlarged issued share capital (including any Shares which may be issued pursuant to the conversion of the Original Tranche 1 Bonds) and the enlarged issued share capital (including any Shares which may be issued pursuant to the conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds) respectively. Upon exercise of the Subscription Right in respect of the Additional Tranche 1 Bonds in full (applying the Relevant Exchange Rate), 6,487,329 new Shares, representing approximately 1.4 per cent., approximately 1.2 per cent., approximately 1.2 per cent. and approximately 1.1 per cent. of the existing issued share capital, the enlarged issued share capital (including any Shares which may be issued pursuant to the conversion of the Original Tranche 1 Bonds), the enlarged issued share capital (including any Shares which may be issued pursuant to the conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds) and the enlarged issued share capital (including any Shares which

may be issued pursuant to the conversion of the Original Tranche 1 Bonds, the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds and the conversion of the Additional Tranche 1 Bonds) respectively, will be issued by the Company. The total number of Shares which may be issued upon full conversion of the Additional Tranche 1 Bonds based on the Fixed Conversion Price and the exercise in full of the Subscription Right in respect of the Additional Tranche 1 Bonds is 39,755,969 Shares, representing approximately 8.5 per cent., approximately 7.4 per cent. and approximately 7.3 per cent. of the existing issued share capital, the enlarged issued share capital (including any Shares which may be issued pursuant to the conversion of the Original Tranche 1 Bonds) and the enlarged issued share capital (including any Shares which may be issued pursuant to the conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds) respectively.

The maximum number of new Shares which may be issued upon conversion of the Additional Tranche 1 Bonds based on the Floating Conversion Price cannot be ascertained at present because the Floating Conversion Price can only be determined when the notice of conversion is issued by CSFB. The Company and CSFB agree that if CSFB exercises its option to require the Company to issue the Additional Tranche 1 Bonds and the maximum number of Shares which may be issued upon full conversion of the Additional Tranche 1 Bonds or upon exercise of the Subscription Right in respect of the Additional Tranche 1 Bonds to be issued by the Company exceeds the limit under any then available general mandate granted to the board of the Directors, the Company will be obliged to seek its shareholders' approval of the issue of such Shares prior to the issue of the Additional Tranche 1 Bonds and a separate announcement will be issued by the Company. The Company and CSFB further agree that if the Company decides to issue the Additional Tranche 1 Bonds, it will comply with all relevant Listing Rules and applicable laws in respect of such issue and of the issue of Shares upon conversion of the Additional Tranche 1 Bonds including any shareholders' approval requirement as mentioned above.

USE OF PROCEEDS AND REASON FOR THE BOND ISSUE

The net proceeds of approximately US\$9,400,000 (equivalent to approximately HK\$73,315,300) derived from the issue of the Original Tranche 1 Bonds, together with the approximate amount of HK\$11,699,250 which would be received subject to and upon exercise in full of the Subscription Right in respect of the Original Tranche 1 Bonds (subject to adjustment as set out in the Subscription Agreement), will be used for general working capital purposes and further developing the Group's printed circuit board fabrication capacity and will not be used for settling debts of the Company. The Directors confirm that there is no other similar fund raising exercise in the past 12 months.

The Directors, including the independent non-executive Directors, consider that the terms of the Bonds and the grant of the subscription rights are fair and reasonable to and in the interests of the Company and the shareholders of the Company as a whole and the issue of the Bonds provides an opportunity to raise extra funds for the Company.

The net proceeds of approximately US\$4,800,000 (equivalent to approximately HK\$37,437,600) derived from the issue of the Additional Tranche 1 Bonds, together with the approximate amount of HK\$5,849,625 which would be received subject to and upon exercise in full of the Subscription Right in respect of the Additional Tranche 1 Bonds (subject to adjustment as set out in the Subscription Agreement), will be used for general working capital purposes.

The Directors consider that the terms of the Additional Tranche 1 Bonds are favourable and the issue of the Additional Tranche 1 Bonds provides an opportunity to raise extra funds for the Company.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the issued share capital of the Company is HK\$46,762,500 comprising 467,625,000 Shares. Mr. Lin Wan Qaing is currently the controlling shareholder of the Company (as defined in the Listing Rules), holding 245,267,780 Shares, representing approximately 52.45 per cent. of

the existing issued share capital of the Company. If the maximum possible number of Shares are issued pursuant to the conversion of the Original Tranche 1 Bonds and the Subscription Right in respect of the Original Tranche 1 Bonds is exercised in full, 79,511,939 new Shares will be issued based on the Fixed Conversion Price, representing approximately 17.0 per cent. and approximately 14.5 per cent. of the existing issued share capital and the enlarged issued share capital respectively. The shareholding interest of Mr. Lin Wan Qaing will be diluted correspondingly from approximately 52.45 per cent. to approximately 44.83 per cent.

The shareholding structure of the Company before and after the conversion of the Original Tranche 1 Bonds and the exercise of Subscription Right in respect of the Original Tranche 1 Bonds based on the Fixed Conversion Price and the Relevant Exchange Rate will be as follows:

	Total no. of issued Shares (assuming no further Shares are issued)	No. of Shares held by Mr. Lin Wan Qaing (assuming Mr. Lin Wan Qaing will not acquire further Shares and no further Shares are issued) and approximate percentage of shareholding	No. of Shares held by CSFB (assuming CSFB has not disposed of any Shares received pursuant to such conversion or exercise of such Subscription Right)	No. of Shares held by public (assuming no further Shares are issued) and approximate percentage of shareholding
As at the date of this announcement	467,625,000	245,267,780 (52.45%)	—	222,357,220 (47.55%)
Upon full conversion of the Original Tranche 1 Bonds (assuming no Shares are issued pursuant to the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds)	534,162,280	245,267,780 (45.91%)	66,537,280 (12.46%)	222,357,220 (41.63%)
Upon full conversion of the Original Tranche 1 Bonds and the exercise in full of the Subscription Right in respect of the Original Tranche 1 Bonds	547,136,939	245,267,780 (44.83%)	79,511,939 (14.53%)	222,357,220 (40.64%)

The change in shareholding structure of the Company before and after the conversion of the Original Tranche 1 Bonds and the exercise of the relevant Subscription Right based on the Floating Conversion Price cannot be ascertained at present because the Floating Conversion Price can only be determined when the notice of conversion is issued by CSFB. In any event, the total number of Shares to be issued pursuant to the conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds will not exceed 93,525,000 Shares, i.e. the threshold of the Existing General Mandate. CSFB has been informed by the Company that it will exercise the Downside Option to redeem the remaining balance of the Original Tranche 1 Bonds if the number of Shares to be issued pursuant to the conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds will exceed 93,525,000 Shares.

The maximum dilution effect of the full conversion of the Original Tranche 1 Bonds and the exercise of the Subscription Right in respect of the Original Tranche 1 Bonds with reference to the maximum number of Shares that may be issued under the Existing General Mandate as mentioned above will be as follows:

	Total no. of issued Shares (assuming no further Shares are issued)	No. of Shares held by Mr. Lin Wan Qaing (assuming Mr. Lin Wan Qaing will not acquire further Shares and no further Shares are issued) and approximate percentage of shareholding	No. of Shares held by CSFB (assuming CSFB has not disposed of any Shares received pursuant to such conversion or exercise of such Subscription Right)	No. of Shares held by public (assuming no further Shares are issued) and approximate percentage of shareholding
As at the date of this announcement	467,625,000	245,267,780 (52.45%)	—	222,357,220 (47.55%)
Upon full conversion of the Original Tranche 1 Bonds and the exercise in full of the Subscription Right in respect of the Original Tranche 1 Bonds	561,150,000	245,267,780 (43.71%)	93,525,000 (16.67%)	222,357,220 (39.62%)

The shareholding structure of the Company before and after the conversion of the Additional Tranche 1 Bonds and the exercise of Subscription Right in respect of the Additional Tranche 1 Bonds based on the Fixed Conversion Price and the Relevant Exchange Rate assuming that the Original Tranche 1 Bonds had been fully converted and the Subscription Right in respect of the Original Tranche 1 Bonds had been fully exercised will be as follows:

	Total no. of issued Shares (assuming no further Shares are issued)	No. of Shares held by Mr. Lin Wan Qaing (assuming Mr. Lin Wan Qaing will not acquire further Shares and no further Shares are issued) and approximate percentage of shareholding	No. of Shares held by CSFB (assuming CSFB has not disposed of any Shares received pursuant to such conversion or exercise of such Subscription Right)	No. of Shares held by public (assuming no further Shares are issued) and approximate percentage of shareholding
As at the date of this announcement	547,136,939	245,267,780 (44.83%)	79,511,939 (14.53%)	222,357,220 (40.64%)
Upon full conversion of the Additional Tranche 1 Bonds (assuming no Shares are issued pursuant to the exercise of the Subscription Right in respect of the Additional Tranche 1 Bonds)	580,405,579	245,267,780 (42.26%)	112,780,579 (19.43%)	222,357,220 (38.31%)
Upon full conversion of the Additional Tranche 1 Bonds and the exercise in full of the Subscription Right in respect of the Additional Tranche 1 Bonds	586,892,908	245,267,780 (41.79%)	119,267,908 (20.32%)	222,357,220 (37.89%)

The Company will make separate announcement(s) if the Additional Tranche 1 Bonds are to be issued. To maintain the listing status of the Shares, the Company will procure that not less than 25 per cent. of the issued Shares, from time to time, will be held by the public. As soon as the Company is aware that the public float falls below 25 per cent. of the issued Shares, it will inform the Stock Exchange and the public immediately and will take, and will procure to take, all possible actions to maintain the public float not less than 25 per cent. of the issued Shares.

As at the date of the announcement, there are outstanding options to subscribe for an aggregate of 32,000,000 Shares granted under the share option scheme of the Company approved on 9 January 2003. Save as disclosed herein, the Company does not have any options or convertible securities outstanding as at the date of the announcement.

LISTING

No application will be made for the listing of, or permission to deal in, the Bonds and the Subscription Right on the Stock Exchange or any other stock exchange. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the Original Tranche 1 Bonds or upon exercise of the Subscription Right in respect of the Original Tranche 1 Bonds.

DILUTION EFFECT ON SHAREHOLDERS

As the Company foresees the future dilution effect on the Shareholders resulting from the exercise of the conversion rights attaching to the Original Tranche 1 Bonds and the Subscription Right in respect of the Original Tranche 1 Bonds, the Company will keep the Shareholders informed of the level of dilution effect and all relevant details of any conversion and/or exercise of the relevant Subscription Right in the following manner:

- (a) the Company will make a monthly announcement (the “**Monthly Announcement**”) on the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 - (i) whether there is any conversion of the Bonds during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (ii) the number of outstanding Bonds after the conversion, if any;
 - (iii) the total number of Shares issued and/or cancelled pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company and/or Shares cancelled pursuant to repurchase of Shares by the Company, with a breakdown of the Shares concerned by the relevant transactions; and
 - (iv) the total issued share capital of the Company announced in the previous Monthly Announcement and the total issued share capital of the Company as at the commencement and the last day of the relevant month; and
- (b) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Bonds reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Bonds (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (a) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Bonds (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Bonds (as the case may be) and the Company will disclose the total issued share capital of the Company as at the date of any announcement which is published in-between any Monthly Announcement.

GENERAL

The Company will comply with all applicable Listing Rules in respect of any alterations in the terms of the Subscription Right after issue, except where the alterations take effect automatically under the existing terms of the Subscription Right. A separate announcement in respect of such change will be issued by the Company.

The Additional Tranche 1 Bonds may or may not be issued and the Subscription Right in respect of the Original Tranche 1 Bonds and the Additional Tranche 1 Bonds may or may not be exercised. The Company will issue a further announcement as required by the Listing Rules if any of the Additional Tranche 1 Bonds are issued.

The terms of the Subscription Agreement were negotiated on an arm's length basis and the Directors believe that they are fair and reasonable so far as the Company is concerned.

The Company will ensure that each of the connected persons of the Company (as defined in the Listing Rules) will not subscribe for any of the Bonds at the issue of such securities and that, after the issue of the Bonds, the Company will disclose to the Stock Exchange any dealings by any of connected persons of the Company from time to time in the Bonds immediately upon the Company becoming aware of such dealings.

Save the transactions as disclosed in this announcement, the Company has not carried out any fund raising activities during the 12-month period immediately preceding the date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING OF SHARES

At the request the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on 28 April 2005 pending release of this announcement. Application for the resumption of trading in the Shares has been made by the Company to the Stock Exchange to the effect that trading in the Shares will resume at 9:30 a.m. on 6 May 2005.

DEFINITIONS

Unless otherwise defined herein, capitalised terms used in this announcement shall have the following meanings.

“Additional Tranche 1 Bonds”	convertible bonds with an aggregate principal amount of up to US\$5,000,000 which are to be issued by the Company, the principal terms of which are set out in the section headed “Principal terms of the Bonds” of this announcement
“Additional Tranche 1 Bonds Closing Date”	the date on which Additional Tranche 1 Bonds are issued
“Base Price”	the average closing prices per Share for the 30 consecutive business days immediately prior to the date of the Subscription Agreement, being HK\$0.9017, representing a premium of about 6.1 per cent. over the closing price of HK\$0.85 per Shares as at 26 April 2005 (the business day immediately prior to the date of the Subscription Agreement)
“Bonds”	the Tranche 1 Bonds
“business day”	any day on which the Stock Exchange is open for trading in securities in Hong Kong
“CSFB”	Credit Suisse First Boston (Hong Kong) Limited, an independent third party which is not a connected person of the Company (as defined under the Listing Rules)
“Company”	Sinotronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	directors of the Company

“Existing General Mandate”	the general mandate (to issue or otherwise deal in 20 per cent. of the issued share capital of the Company as at the date of passing the resolution) granted to the Directors by the shareholders of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 16 November, 2004, pursuant to which a maximum of 93,525,000 new Shares may be issued as at the date of this announcement
“Fixed Conversion Price”	the conversion price of the Bonds into the Shares which is set at 130 per cent. of the average closing price per Share for the 30 consecutive business days immediately prior to the date of the Subscription Agreement, being HK\$0.9017, which is equivalent to HK\$1.1722 in this case, representing a premium of about 37.9 per cent. over the closing price of HK\$0.85 per Shares as at 26 April 2005 (the business day immediately prior to the date of the Subscription Agreement) in respect of the Tranche 1 Bonds, subject to adjustment
“Floating Conversion Price”	the conversion price of the Bonds which is set at 90 per cent. of the average of any 4 consecutive closing prices per Share as selected by CSFB during the 30 consecutive business days immediately prior to the date on which notice of CSFB is received by the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the third anniversary of the Original Tranche 1 Bonds Closing Date
“Original Tranche 1 Bonds”	convertible bonds with an aggregate principal amount of US\$10,000,000 due 2008 to be issued by the Company, the principal terms of which are set out in the section headed “Principal terms of the Bonds” of this announcement
“Original Tranche 1 Bonds Closing Date”	27 April, 2005, being the date on which the Original Tranche 1 Bonds were issued
“Relevant Exchange Rate”	the exchange rate of US\$1.00 to HK\$7.7995 as reported by Bloomberg on page “HKD Currency HP” at 5:00 p.m. (Hong Kong time) on 26 April, 2005, being the day immediately preceding the date of the Subscription Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 27 April, 2005 entered into between the Company and CSFB relating to the subscription of the Bonds
“Subscription Right”	the option granted by the Company to CSFB exercisable upon the issue of the Original Tranche 1 Bonds and the Additional Tranche 1 Bonds, for the subscription of such number of new Shares in accordance with the Subscription Agreement
“Tranche 1 Bonds”	the Original Tranche 1 Bonds and the Additional Tranche 1 Bonds (if applicable)

Unless otherwise specified in this announcement, US\$1.00 = HK\$7.7995. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at such a rate or at any other rates or at all.

By Order of the Board
Sinotronics Holdings Limited
Lin Wan Qaing
Chairman

Hong Kong, 5 May, 2005

As at the date of this announcement, the Board comprises Mr. Lin Wan Qaing, Mr. Chen Yan Shun, Mr. Liu Zhao Cai, Mr. Xiang Song and Mr. Tong Yiu On as executive directors, and Mr. Pan Chang Chi, Mr. Cai Xun Shan and Mr. Cheung Chuen as independent non-executive directors.

** for identification purpose only*

*Please also refer to the published version of this announcement in the (**The Standard**)*