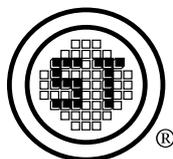


*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement*



## **SINO-TECH INTERNATIONAL HOLDINGS LIMITED**

**泰豐國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 724)**

### **BONUS ISSUE OF WARRANTS**

### **REFRESHMENT OF GENERAL MANDATE**

### **SUBDIVISION OF SHARES**

### **CHANGE IN BOARD LOT SIZE**

### **AND**

### **INCREASE IN AUTHORISED SHARE CAPITAL**

#### **BONUS ISSUE OF WARRANTS**

The Board proposes a bonus issue of Warrants, on the basis of one bonus Warrant for every five existing Shares held, to Shareholders (other than Non-Qualifying Shareholders) whose names appear on the register of members of the Company on the Record Date. The Warrants are expected to be listed on the Stock Exchange.

The Warrants will entitle the holders thereof to subscribe for new Shares at an initial subscription price of HK\$4.80 per Share or HK\$0.48 per Subdivided Share (subject to adjustments), at any time between the date of issue of the Warrants and the day immediately preceding the second anniversary of the date of issue, both dates inclusive.

The Bonus Warrants Issue will be subject to approval by Shareholders at the SGM and the granting of permission to deal in and listing of the Warrants and any Subdivided Shares which may be issued as a result of exercise of the Warrants.

\* *for identification only*

## **REFRESHMENT OF GENERAL MANDATES**

The Board proposes to refresh the general mandate for the Directors to issue and allot shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM.

The refreshment of general mandate to issue shares will be subject to approval by independent Shareholders (which exclude controlling shareholder of the Company (if any) and its associates) at the SGM by way of poll.

## **SUBDIVISION OF SHARES AND CHANGE IN BOARD LOT SIZE**

The Board is pleased to announce the proposed Share Subdivision, whereby each existing issued and unissued Share of HK\$0.10 each in the share capital of the Company will be subdivided into 10 Subdivided Shares, being HK\$0.01 each in the share capital of the Company.

The Share Subdivision will be subject to approval by Shareholders at the SGM and the granting of listing permission to deal in the Subdivided Shares.

The Shares are currently traded in board lots of 2,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 10,000 Subdivided Shares.

## **INCREASE IN AUTHORISED SHARE CAPITAL**

The Board also proposes to increase the authorised share capital of the Company from HK\$80,000,000 divided into 800,000,000 Shares to HK\$120,000,000 divided into 1,200,000,000 Shares or 12,000,000,000 Subdivided Shares (assuming the Share Subdivision becoming effective).

A circular containing details of the Bonus Warrants Issue, refreshment of general mandate to issue Shares, the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, the procedures for free exchange of share certificates, and increase of authorised share capital and the notice of SGM will be despatched to the Shareholders as soon as practicable.

## **BONUS ISSUE OF WARRANTS**

The Board proposes a bonus issue of Warrants, details of which are summarised below.

### **Basis of Bonus Warrants Issue**

Subject to the conditions as mentioned below, the proposed Bonus Warrants Issue will be made on the basis of one bonus Warrant for every five existing Shares held by Shareholders (other than Non-Qualifying Shareholders) whose names appear on the register of members of the Company on the Record Date.

On the basis of 379,750,000 Shares in issue as at the date of this announcement, and assuming no further Shares are issued or purchased before the Record Date, the total number of bonus Warrants to be issued will be 75,950,000 units, entitling the holders thereof to subscribe for up to 75,950,000 Shares, representing 20% of the issued share capital of the Company.

### **Subscription price**

The Warrants will entitle the holders thereof to subscribe for new Shares at an initial subscription price of HK\$4.80 per Share or HK\$0.48 per Subdivided Share (subject to adjustments). The initial subscription price of the Warrants represents (i) a premium of approximately 20.30% to the closing price of HK\$3.99 per Share as quoted on the Stock Exchange on 31st October, 2007; and (ii) a premium of approximately 24.42% to the average closing price of HK\$3.858 per Share as quoted on the Stock Exchange from 17th October, 2007 to 31st October, 2007, both dates inclusive, being the last ten full trading days immediately before and up to the date of this announcement.

### **Subscription period**

The Warrants may be exercised at any time between the date of issue of the Warrants and the day immediately preceding the second anniversary of date of issue, both dates inclusive.

### **Fractional entitlements**

Fractional entitlements to the Warrants will not be granted to Shareholders but will be aggregated and sold for the benefit of the Company.

### **Overseas Shareholders**

The documents to be issued in relation to the Bonus Warrants Issue will not be registered under the securities legislation of any jurisdictions outside Hong Kong and Bermuda. If on the Record Date a Shareholder's address on the Company's register of members is in a place outside Hong Kong, no Warrants will be issued to such Overseas Shareholder if the Directors, having considered legal opinions from the relevant jurisdictions, concluded that it would be necessary or expedient not to extend the Bonus Warrants Issue to such Overseas Shareholders.

Arrangements will be made for the Warrants which would otherwise have been issued to the Non-Qualifying Shareholders to be sold in the market as soon as practicable after dealings in the Warrants commence on the Stock Exchange. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars pro rata to such persons and remittances thereof will be posted to them at their own risks, unless the amount falling to be distributed to any such persons is less than HK\$100, in which case it will be retained for the benefit of the Company.

### **Status of Subdivided Shares to be issued upon exercise of Warrants**

Subdivided Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants will on issue rank equally in all respects with the then existing Subdivided Shares save for any dividends or other distributions declared, made or paid by the Company by reference to a record date falling before the relevant date of exercising the subscription rights under the Warrants.

## **Board lots**

The Warrants are expected to be traded in board lots of 20,000 units amounting to an aggregate subscription price of about HK\$9,600 (upon implementation of the Share Subdivision).

Arrangements will be made to facilitate the trading of odd lots of the Warrants, details of which will be set out in the circular in relation to, among other things, the Bonus Warrants Issue to be despatched to the Shareholders as soon as practicable.

## **Conditions of Bonus Warrants Issue**

The Bonus Warrants Issue will be conditional upon:

- (a) the passing by the Shareholders at the SGM of an ordinary resolution approving the Bonus Warrants Issue; and
- (b) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Warrants and the new Subdivided Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

Application will be made to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, the Warrants and any Subdivided Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

## **Certificates for Warrants**

Subject to the fulfillment of the conditions of the Bonus Warrants Issue, certificates for the bonus Warrants are expected to be posted by 3rd January, 2008 to Shareholders (other than Non-Qualifying Shareholders) by ordinary post at their own risks.

## **Reasons for the Bonus Warrants Issue**

The Board is of the opinion that the Bonus Warrants Issue will provide Shareholders with a further opportunity to participate in the growth of the Company and strengthen the Company's working capital position and enhance its capital base when the Warrants are exercised.

## **Closure of register**

The register of members of the Company will be closed from 14th December, 2007 to 18th December, 2007, both dates inclusive, in order to determine entitlements to the Bonus Warrants Issue. No transfer of Shares may be registered during this period.

Shareholders are reminded that in order to qualify for the Bonus Warrants Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 13th December, 2007.

**Expected Timetable for the Bonus Warrants Issue, Share Subdivision and change in board lot size**

*The following events are conditional on the results of the SGM and the respective conditions of the Bonus Warrants Issue and Share Subdivision.*

Last day of dealings in Shares cum-entitlements to the Bonus Warrants Issue .....	Tuesday, 11th December, 2007
First day of dealings in Shares ex-entitlements to the Bonus Warrants Issue .....	Wednesday, 12th December, 2007
Latest time for lodging transfers of Shares for entitlements to the Bonus Warrants Issue .....	4:00 p.m. on Thursday, 13th December, 2007
Closure of register of members at the Company .....	Friday, 14th December, 2007 to Tuesday, 18th December, 2007 (both dates inclusive)
Latest time for lodging proxy forms for SGM.....	9:30 a.m. on Sunday, 16th December, 2007
Record Date .....	Tuesday, 18th December, 2007
SGM .....	9:30 a.m. on Tuesday, 18th December, 2007
Publication of announcement in relation to the results of the SGM and completion of the Share Subdivision .....	Tuesday, 18th December 2007
Effective date of Share Subdivision .....	Wednesday, 19th December 2007
Dealings in Subdivided Share commence .....	Wednesday, 19th December 2007
Original counter for trading in existing Shares in board lots of 2,000 Shares temporarily closes .....	9:30 a.m. Wednesday, 19th December 2007
Temporary counter for trading in board lots of 20,000 Subdivided Shares (in the form of certificates of Existing Shares (the “Old Share Certificates”)) opens .....	Wednesday, 19th December 2007
First day of free exchange of Old Share Certificates for new certificates of Subdivided Shares (the “New Share Certificates”) .....	Wednesday, 19th December 2007

Despatch of the bonus Warrants certificates by . . . . . Thursday, 3rd January, 2008

Commencement of dealings in the bonus Warrants . . . . . 9:30 a.m. on Monday,  
7th January, 2008

Original counter for trading in Subdivided Shares  
in board lots of 10,000 Subdivided Shares  
(in the form of New Share Certificates)  
re-opens . . . . . 9:30 a.m. Monday,  
7th January 2008

Parallel trading in Subdivided Shares (in the form  
of New Share Certificates and Old Share  
Certificates) commences . . . . . 9:30 a.m. Monday,  
7th January 2008

Parallel trading in Subdivided Shares (in the form  
of New Share Certificates and Old Share  
Certificates) ends . . . . . 4:00 p.m. Monday,  
28th January 2008

Temporary counter for trading in board lots of  
20,000 Subdivided Shares (in the form of  
Old Share Certificates) closes . . . . . 4:00 p.m. on Monday,  
28th January 2008

Last day for free exchange of Old Share Certificates  
for New Share Certificates . . . . . Thursday, 31st January 2008

Further announcement will be made if there are any changes to the above timetable. All time references in this announcement refer to Hong Kong time.

The Company confirms compliance with the requirements of Rule 15.02(1) of the Listing Rules. Apart from share options under the Share Option Scheme, the Company has not in issue other equity securities which when exercised entitle holders thereof to subscribe for Shares.

**NEW GENERAL MANDATE**

The Board proposes to refresh the general mandate for the Directors to issue and allot shares (“Issue Mandate”) not exceeding 20% of the issued share capital of the Company as at the date of the SGM of the Company to be convened to approve the grant of such mandate. Based on the total issued share capital of the Company of 379,750,000 Shares as of the date of this announcement, a maximum of 75,950,000 Shares may be issued under the Issue Mandate (if granted). The Issue Mandate will enhance the flexibility for the Company to manage its business. 33,550,000 Shares representing approximately 44.2% of the Shares falling to be issued under the general mandate, remain to be issued under the general mandate since it was granted to the Directors on 25th June, 2007.

The Board will send a circular to the Shareholders and a notice for the purpose of convening an SGM to obtain Shareholders' approval to the grant of the Issue Mandate and the Repurchase Mandate. The Circular will contain the details as required under Rule 13.36(4)(d) of the Listing Rules.

The Company will form an independent board committee and appoint an independent financial advisor, and the circular will contain their respective recommendations to the Company's independent Shareholders on the proposed Issued Mandate. In accordance with the requirements of the Listing Rules, the proposed Issue Mandate will be voted by poll, and the controlling shareholders of the Company (if any) and their respective associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates will abstain from voting in favour thereon.

## **PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE**

The Board announces the proposed Share Subdivision, whereby each existing issued and unissued Shares of HK\$0.10 each in the share capital of the Company will be subdivided into 10 Subdivided Shares, being HK\$0.01 each in the share capital of the Company. The Shares are currently traded in board lots of 2,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 10,000 Subdivided Shares. No odd lot of Subdivided Shares will be resulted from the Share Subdivision other than those already existed before the Share Subdivision becoming effective.

### **Conditions of the Share Subdivision**

The Share Subdivision is conditional upon, among other matters:

- (a) the Shareholders at the SGM having passed an ordinary resolution approving the Share Subdivision; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subdivided Shares and any Subdivided Shares which may fall to be issued pursuant to exercise of options under the Share Option Scheme.

### **Reasons for Share Subdivision**

The Board believes the Share Subdivision will improve the liquidity in trading of shares of the Company and thereby would attract more investors and widen the Shareholders' base. The Share Subdivision coupled with change in board lot size would enable investors to reduce the investment amount in trading for one board lot of Subdivided Shares. Accordingly, the Board considers that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

Other than the expenses to be incurred in relation to the Share Subdivision, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders. The Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in relative rights of the Shareholders.

### **Share Capital of the Company**

As at the date of this announcement, the authorised share capital of the Company is HK\$80,000,000 divided into 800,000,000 Shares, of which 379,750,000 Shares are issued and fully paid or, credited as fully paid and 420,250,000 shares are unissued. Assuming no further Shares will be issued or repurchased after the date of this announcement, upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$80,000,000 divided into 8,000,000,000 Subdivided Shares, of which 3,797,500,000 Subdivided Shares will be in issue and 4,202,500,000 Subdivided Shares will remain unissued.

### **Adjustments to Share Options**

As at the date of this announcement, there are outstanding options to subscribe for 37,975,000 Shares granted pursuant to the Share Option Scheme. The Share Subdivision may lead to adjustment to the exercise price and the number of Subdivided Shares which may fall to be issued upon exercise of outstanding options. Details of the anticipated adjustment upon the Share Subdivision becoming effective will be disclosed in the circular to be issued by the Company in relation to the Share Subdivision.

If the Share Subdivision becomes effective, the Old Share Certificates will only be valid for delivery, trading and settlement purpose for the period up to 4:00 p.m., on Monday, 28th January, 2008 and thereafter will not be accepted for delivery, trading and settlement purpose. However, the Old Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for 10 Subdivided Shares and may be exchanged for the New Share Certificates (i) free of charge at any official time between 9:30 a.m., to 4:00 p.m., on Wednesday, 19th December, 2007 and Thursday, 31st January, 2008 (both dates inclusive); or (ii) upon payment of a prescribed fee of HK\$2.50 per Share Certificate (or such amount as may from time to time be determined by the Stock Exchange) at any time after 4:00 p.m. on Thursday, 31st January, 2008. Shareholders are requested to submit their Old Share Certificates to Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in exchange for New Share Certificates. It is expected that New Share Certificates will be available for collection within a period of 10 business days after submission of the Old Share Certificates.

The New Share Certificates will be in green in order to be distinguished from the Old Share Certificates which are in yellow.

## **INCREASE IN AUTHORISED SHARE CAPITAL**

It is also proposed that the authorised share capital of the Company be increased from HK\$80,000,000 divided into 800,000,000 Shares to HK\$120,000,000 divided into 1,200,000,000 Shares or 12,000,000,000 Subdivided Shares (assuming the Share Subdivision becoming effective) by the creation of additional 400,000,000 Shares. Such increase in authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

## **GENERAL**

The Bonus Warrants Issue, Share Subdivision and change in board lot size are not conditional on each other.

A circular containing details of the bonus issue of Warrants, refreshment of general mandate to issue Shares, the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, the procedures for free exchange of Old Share Certificates, and increase in authorised share capital together with a notice to convene the SGM, will be despatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

“Board”	the board of directors of the Company
“Bonus Warrants Issue”	the proposed bonus issue of Warrants, on the basis of one bonus Warrant for every five existing Shares held, to Shareholders (other than Non-Qualifying Shareholders) whose names appear on the register of members at the close of business on the Record Date
“business day”	any days (other than Saturday and Sunday) on which licensed banks in Hong Kong are open for business during their, normal business hours
“Company”	Sino-Tech International Holdings Limited a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the Council of the Stock Exchange

“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions provided by the legal advisers, consider it necessary or expedient not to extend the Bonus Warrant Issue to such Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholders”	Shareholders whose addresses on the Company’s register of members as at the Record Date are in places outside Hong Kong
“Record Date”	Tuesday, 18th December, 2007, being the date for determination of entitlements to the Bonus Warrants Issue
“SGM”	the special general meeting of the Company to be held at 9:30 a.m. on 18th December, 2007 at Room 2605, CCT Telecom Building, 11 Wo Shing Street, Fotan, Shatin, N.T, Hong Kong, to approve the matter(s) referred to herein
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 28th November, 2002
“Share Subdivision”	the subdivision of Shares whereby each existing issued and unissued Share of HK\$0.10 each in the share capital of the Company will be subdivided into 10 Subdivided Shares, being HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of Shares or Subdivided Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company upon completion of the Share Subdivision
“Warrant(s)”	warrant(s) proposed to be issued by the Company entitling the holders thereof to subscribe for new Shares at an initial subscription price of HK\$4.80 per Share or HK\$0.48 per Subdivided Share (subject to adjustments)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board  
**Lam Yat Keung**  
*President*

Hong Kong, 31st October, 2007

*As at the date of this announcement, the Board comprises Messrs. Lam Yat Keung, Lam Pik Wah and Lam Hung Kit as executive Directors and Messrs. Lo Wah Wai, Pai Te Tsun and Ho Chi Fai as independent non-executive Directors.*