



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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual results announcement (the “Annual Results Announcement 2005”) and the annual report (the “Annual Report 2005”) of the audited annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2005 and the interim results announcement (the “Interim Results Announcement 2005/06”) and the interim report (the “Interim Report 2005/06”) of the unaudited interim results of the Group for the six months ended 31 December 2005.

The directors of the Company (the “Board”) wish to clarify that due to inadvertent mistakes, certain figures and information included in the Annual Results Announcement 2005, Annual Report 2005, Interim Results Announcement 2005/06 and Interim Report 2005/06 should be amended as follows:

- (1) under the notes 7 and 10 of the Consolidated Income Statement as set out in the page 2 of the Annual Results Announcement 2005 and page 29 of the Annual Report 2005 respectively, the diluted earnings per share should be RMB17 cents instead of RMB16 cents;
- (2) under the note (7)(b) “Diluted earnings per share” of “Earnings per share” set out in the notes to the financial statements on page 7 of the Annual Results Announcement 2005 and note (10)(b) on page 58 of the Annual Report 2005:
 - the calculation of diluted earnings per share should be based on approximately “RMB81,400,000 as adjusted for expenses on convertible bonds of RMB973,000” of the profit attributable to shareholders instead of “RMB79,478,000 as adjusted for interest on convertible bonds of RMB949,000” and the weighted average number should be “484,280,000 ordinary shares in issue” rather than “486,702,000 ordinary shares in issue” during the year after adjusting for the effect of all dilutive potential shares;
 - the figure of “Deemed issue of ordinary shares as a result of conversion of convertible bonds for no consideration” in 2005 should be “16,655,000” instead of “19,077,000” and therefore the total amount should be “484,280,000” instead of “486,702,000”; and
- (3) under the note (7)(b) “Diluted earnings per share” of “Earnings per share” set out in the notes to the condensed accounts on page 6 of the Interim Results Announcement 2005/06 and note (7)(b) on page 10 of the Interim Report 2005/06, the calculation of diluted earnings per share for the six months ended 31 December 2005 should be based on approximately “RMB51,991,000 as adjusted for expenses on convertible bonds of RMB1,389,000” of the unaudited consolidated profit attributable to shareholders instead of “RMB48,988,000 as adjusted for interest on convertible bonds of RMB1,614,000”.

Save as disclosed in the above, the Company confirms that all the information and figures as contained in the Annual Results Announcement 2005, Annual Report 2005, Interim Results Announcement 2005/06 and Interim Report 2005/06 are correct in all material aspects. The Company also confirms that the above amendments have no significant effect on the consolidated financial statements for the year ended 30 June

2005 and for the six months ended 31 December 2005 respectively. The aforesaid errors were inadvertently made and the auditors of the Company have confirmed to the Company that the above calculations have been properly computed on a basis consistent with the relevant accounting standards.

By Order of the Board
SINOTRONICS HOLDINGS LIMITED
Lin Wan Qaing
Chairman

Hong Kong, 7 September 2006

As at the date of this announcement, the Board comprises Mr. Lin Wan Qaing, 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 Standard**.*