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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)

PRICE SENSITIVE INFORMATION WRIT OF SUMMONS FROM DEUTSCHE BANK AG RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that, the Company received a Writ of Summons dated 31 March 2009 served by Deutsche Bank AG.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 1 April 2008 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for a resumption of trading in the Shares with effect from 9:30 a.m. on 3 April 2008.

Public investors are urged to exercise extreme caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

WRIT OF SUMMONS

On 31 March 2009, the Company received a Writ of Summons dated 31 March 2009 (“**the Writ**”) issued by Deutsche Bank AG as plaintiff, with the Company named as defendant, in a claim arising from SWAP 1 and SWAP 2 (“**SWAPS**”). References are made to the announcements of the Company dated 12 December 2007, 11 November 2008, 13 November 2008 for full details of the SWAPS.

Briefly, under SWAP 1, the Company had entered into a structured interest rate swap transaction of the notional amount of HK\$390,000,000 with an upfront payment of HK\$39,000,000 paid by the plaintiff to the Company. For SWAP 2, it is a structured interest rate swap transaction of the notional amount of US\$100,000,000 (equivalent to approximately HK\$780,000,000) with an upfront payment of US\$10,000,000 (equivalent to approximately HK\$78,000,000) paid by the plaintiff to the Company.

In the Writ, the plaintiff claims against the Company for:

- (a) Damages in the liquidated sum of USD23,714,693;
- (b) Interest on the said sum of USD23,714,693 at the contractual rate;
- (c) Further or alternatively, interest at such rate and for such period as the Court thinks fit under sections 48 and 49 of the High Court Ordinance (Cap 4);
- (d) Further or other relief; and
- (e) Costs.

The Company is entitled to repudiate the SWAPS for the reason that it had been misrepresented in the true risks associated with the SWAPS, and hence is disputing the sum claimed. The Company is seeking legal advice on the merits of the case, and further announcement on any material development regarding the Writ will be made by the Company as and when appropriate.

Reference is also made to the announcement of the Company on 12 December 2007 regarding the Deed of Indemnity provided by the controlling shareholder of the Company Mr. Lin Wan Qaing in favour of the Company in which Mr. Lin agreed to perform the interest payment obligation of the Company under the SWAPS and is obliged to indemnify the Company against all liabilities, claims, damages, costs and expenses which the Company may suffer by reason of his failure in performance of the said obligation. In light of the recent development, the said obligations of Mr. Lin still remained unchanged, and he will honour his obligation should the Company be found liable to the plaintiff's claim.

Save as disclosed the above, so far as the Company is aware, there is no litigation or arbitration proceedings made or threatened to be made against the Company, which would have a significant impact on the business or operations of the Company. If the Company is found liable to the plaintiff's claim, the Group will still have sufficient working capital for running its business in the ordinary course.

In the meantime, public investors are urged to exercise extreme caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

Trading in the shares of the Company has been suspended from 9:30 a.m. on 1 April 2009 pending the release of this announcement. The Company has made an application to The Stock Exchange of Hong Kong Limited to resume trading in the shares of the Company with effect from 9:30 a.m. on 3 April 2009.

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

Hong Kong, 2 April 2009

As at the date of this announcement, the Board comprises Mr. Lin Wan Xin, Mr. Xiang Song, Mr. Lin Wan Qaing and Mr. Hu Zhao Rui as executive directors, and Mr. Pan Chang Chi, Mr. Cai Xun Shan and Mr. Cheung Chuen as independent non-executive directors.

* *for identification purposes only*