

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 TECHNOLOGY INVESTMENTS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1217)

**STRATEGIC ALLIANCE WITH CITIC INVESTMENT IN
CO-INVESTMENTS IN THE PRC**

Financial adviser

COMMERZBANK 

Commerzbank AG Hong Kong Branch

STRATEGIC ALLIANCE WITH CITIC INVESTMENT IN CO-INVESTMENTS IN THE PRC

Further to the announcement and circular of the Company dated 16 August 2007 and 17 September 2007, respectively, in relation to the Warrants Subscription and the Rights Issue, the Company has entered into the Co-operation Memorandum with CITIC Investment Holdings Limited (“CITIC Investment”), the investment arm of CITIC Group, for the establishment of a strategic alliance in co-investment in the PRC on 22 October 2007. The Board believes that the establishment of a strategic alliance with CITIC Group would help eliminate potential legal barriers to the Company’s investment in the national defense and military industries in the PRC. The strong resources and extensive network of CITIC Group in the PRC will also broaden its opportunities in the relevant industries.

Reference is made to the Company’s announcement (the “Announcement”) and circular (the “Circular”) dated 16 August and 17 September 2007, respectively, in relation to, among other things, the Warrants Subscription and the Rights Issue as well as their proposed application of the proceeds. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

STRATEGIC ALLIANCE WITH CITIC INVESTMENT IN CO-INVESTMENTS IN THE PRC

The Company, on 22 October 2007, entered into the non-legally binding co-operation memorandum (the “Co-operation Memorandum”) with CITIC Investment.

Major terms of the Co-operation Memorandum

- (i) For any investment projects in which both parties have mutual interests, both parties will co-invest and act as concert parties;
- (ii) In case there are any investment projects in which the Company’s investment size exceeds the relevant PRC regulatory requirements, CITIC Investment can invest in such projects and act in concert with the Company so that the Company’s investment in such projects can comply with the relevant PRC rules and regulations; and
- (iii) The Company and CITIC Investment may form joint ventures in the PRC or engage CITIC Investment for trust investment in initial public offering of companies in the PRC.

Reasons for entering into of the Co-operation Memorandum

CITIC Investment, a wholly-owned subsidiary of CITIC Group established in the PRC as the investment arm of CITIC Group, is principally engaged in investment in the PRC including the high-tech, manufacturing, energy and environmental protection industries in the PRC.

The Board believes that the establishment of a strategic alliance with CITIC Group would help eliminate potential legal barriers to the Company’s investment in the national defense and military industries in the PRC. The strong resources and extensive network of CITIC Group in the PRC will also broaden its opportunities in the relevant industries.

By order of the Board

Xiang Xin

Director

Hong Kong, 22 October 2007

As at the date of this announcement, the Executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee, Mr. Kwok Chi Hung and Mr. Ng Tin Sang; the Non-executive Directors are Mr. Wang Qing Yu (Chairman) and Mr. Ng Kwong Chue Paul; the Independent Non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang.