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SINO TECHNOLOGY INVESTMENTS COMPANY LIMITED

中國創新投資有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1217)

**CONNECTED TRANSACTION:
ISSUE OF CONVERTIBLE BONDS
AND UNLISTED WARRANTS
AND
RESUMPTION OF TRADING**

Joint financial advisers



SOMERLEY LIMITED

COMMERZBANK 

Commerzbank AG Hong Kong Branch

Independent financial adviser



South China Capital Limited

The Board is pleased to announce that on 19 November 2007, after the trading hours of the Stock Exchange, the Company entered into the Subscription Agreement with the Subscriber. Pursuant to the Subscription Agreement, the Company agreed to issue and the Subscriber agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$50,000,000 and, in consideration of the Subscriber's agreeing to the Subscription, the Company has conditionally agreed to grant 800,000,000 Warrants to the Subscriber at Completion, at nil monetary consideration, which entitle the Subscriber and the subsequent holders thereof to subscribe for up to 800,000,000 Shares at the Exercise Price of HK\$0.20 per Warrant Share.

As the Subscriber is a private company wholly-owned by Mr. Xiang (an executive Director and a substantial Shareholder), it is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Subscription Agreement constitutes a connected transaction for the Company under the Listing Rules and is subject to the approval by the Independent Shareholders by poll at the EGM. The Subscriber and its associates will abstain from voting in respect of the resolution(s) approving the Subscription Agreement at the EGM.

An independent board committee of the Company has been established to consider and to advise the Independent Shareholders the terms under the Subscription Agreement. South China Capital has been appointed as the independent financial adviser to advise the independent board committee and the Independent Shareholders in this regard.

The Company will despatch to the Shareholders a circular containing, among other things, further details of the Subscription Agreement, the recommendation from the independent board committee to the Independent Shareholders, the recommendation of the Independent Financial Adviser to the independent board committee and the Independent Shareholders and a notice convening the EGM in accordance with the requirements of the Listing Rules.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 20 November 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 21 November 2007.

THE SUBSCRIPTION AGREEMENT

Date: 19 November 2007 (after the trading hours of the Stock Exchange)

Parties: (a) The Company as issuer
(b) The Subscriber as subscriber

The Company is an investment company under Chapter 21 of the Listing Rules. Its principal investment objective is to achieve medium-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC. The Subscriber, whose principal activity is investment holding, is a private company wholly-owned by Mr. Xiang (an executive Director and a substantial Shareholder) and is, therefore, a connected person of the Company under the Listing Rules.

Subject to the conditions set out below, the Subscriber agreed to subscribe for the Convertible Bonds pursuant to the terms of the Subscription Agreement.

The major terms of the Convertible Bonds are as follows:

Principal amount: HK\$50,000,000

Maturity date: The Convertible Bonds are due and will mature on the fifth anniversary of the date of issuance of the Convertible Bonds. The outstanding Convertible Bonds on the Maturity Date will be converted into the Conversion Shares to such extent that the Conversion Shares will not result in the holder(s) of the Conversion Shares or parties acting in concert with it, taken together, directly or indirectly, controlling or being interested in Shares of 30% or more interest in the Company and the remaining Convertible Bonds, if any, will be redeemed by the Company at par on the Maturity Date.

Interest rate: The Convertible Bonds do not bear any interest.

- Redemption:** At any time before the Maturity Date, the holder(s) of the Convertible Bonds may serve written request to convert the Convertible Bonds (subject to the restriction clause as stated under “Conversion rights” below). Upon the written request of the holder(s) of the Convertible Bonds, the Company is required to redeem the Convertible Bonds at its outstanding principal amount.
- Conversion rights:** The holder(s) of the Convertible Bonds will have the right to convert the Convertible Bonds, in whole or in part (in an amount or integral multiple of HK\$1,000,000) into Shares at any time commencing on the Business Day after the date of issue of the Convertible Bonds but before the Maturity Date, to the extent that following such exercise, (i) a holder of the Convertible Bonds, together with the holder(s) of Warrants and parties acting in concert with it, taken together, will not directly or indirectly, control or be interested in Shares of 30% or more interest in the Company, being set with reference to the 30% voting right i.e. the threshold of Takeovers Code which will trigger general offer obligations, and/or (ii) the Company is not able to comply with the public float requirement under the Listing Rules.
- Conversion price:** The conversion price is HK\$0.05 per Conversion Share, subject to adjustment for, among other things, subdivision or consolidation of Shares, issue of Shares by way of capitalisation of profits or reserves, distribution in cash or specie to Shareholders or grant to Shareholders the rights to acquire for cash assets of the Company or any of its subsidiaries, or offer to holders of Shares new Shares for subscription by way of rights, bonus issues or shall grant to holders of Shares any options, warrants or other rights to subscribe for or purchase any Shares. Such adjustments will be certified by an independent financial adviser or the auditors of the Company for the time being.
- The conversion price represents (i) a discount of approximately 77.06% to the closing price of HK\$0.218 per Share as quoted on the Stock Exchange on 19 November 2007, being the last trading day of the Shares on the Stock Exchange prior to the suspension of trading in the Shares on 20 November 2007; (ii) a discount of approximately 74.17% to the average of the closing prices of HK\$0.1936 per Share as quoted on the Stock Exchange for the last five trading days up to and including 19 November 2007; and (iii) a premium of approximately 3.95% over the adjusted net asset value of the Company of HK\$0.0481 per Share as at 31 October 2007 (as adjusted by the issue of 3,633,552,000 right Shares net of expenses and the issue of 117,623,114 Shares upon exercise of share options of the Company in November 2007).
- Conversion Shares:** The Subscriber and any of its successors of the holders of the Convertible Bonds shall not transfer or dispose of the Conversion Shares within a period of six months commencing from the date of allotment and issue of the Conversion Shares, and thereafter the Conversion Shares are freely transferable subject to the payment of stamp duty in Hong Kong. Assuming full conversion of the Convertible Bonds, the Company will issue 1,000,000,000 Conversion Shares, representing (a) approximately 24.30% of the Company’s total issued share capital as at the date of this announcement; and (b) approximately 19.55% of the Company’s issued share capital as enlarged by the issue of the

Conversion Shares. The Conversion Shares will rank pari passu in all respects with the existing Shares in issue at the date of allotment and issue of such Conversion Shares.

- Transferability: The Subscriber shall not transfer or dispose of the Convertible Bonds during a period of six months commencing from the issue date of the Convertible Bonds and the Convertible Bonds are freely transferable thereafter subject to the payment of stamp duty in Hong Kong. The Company will notify the Stock Exchange upon becoming aware of any dealings in the Convertible Bonds by any connected persons of the Company.
- Voting right: Holder(s) of the Convertible Bonds (or any part thereof) will not be entitled to attend or vote at any Shareholders' and/or warrant holders' meetings of the Company by reason only of it being a holder of the Convertible Bonds (or any part thereof).
- Listing and trading: No application will be made for the listing of the Convertible Bonds and permission to deal in the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made for the listing of and permission to deal in, the Conversion Shares.
- Ranking: The Convertible Bonds will rank pari passu with all other present and future unsecured and un-subordinated obligations of the Company.

The Conversion Shares will be issued under the Specific Mandate.

Issue of unlisted Warrants

A total of 800,000,000 Warrants will be issued under the Subscription Agreement and upon exercise of the subscription rights attached to the Warrants, a total of 800,000,000 Warrant Shares will be issued under the Specific Mandate. In consideration of the Subscriber's agreeing to subscribe for the Convertible Bonds, the Company will issue the unlisted Warrants to the Subscriber at nil monetary consideration at Completion.

For the conditions precedent for the issue of the Warrants, please refer to sub-section headed "Conditions precedent of the Subscription Agreement" below.

Exercise Price

HK\$0.20 per Warrant Share, subject to adjustments for, among other things, subdivision or consolidation or reclassification of Shares, issue of Shares by way of capitalization of profit or reserves, distribution in cash or specie to the Shareholders or grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, or offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options, warrants or other rights to subscribe for or purchase any Shares, or issue for cash any securities which are convertible into or exchangeable for or carry rights of subscription for new Shares, or issue for cash any Shares at a price which is less than 90% of the market price or the repurchase of any Shares or securities convertible into Shares or any rights to acquire Shares by the Company.

The Exercise Price of HK\$0.20 represents:

- (i) a discount of approximately 8.26% over the closing price of HK\$0.218 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 3.09% over the average of the closing prices of HK\$0.194 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 315.80% over the adjusted net asset value per Share of HK\$0.0481 as at 31 October 2007 (based on the latest published unaudited net assets of the Group published on the Stock Exchange's website as adjusted by the issue of 3,633,552,000 right Shares, net of expenses, and the issue of 117,623,114 Shares upon exercise of share options of the Company in November 2007).

The Exercise Price is determined after arm's length negotiations between the Company and the Subscriber with reference to the recent trading prices of the Shares. Given that the Exercise Price approximates the average price of the Shares for the last 5 trading days up to and including the Last Trading Day and equals to approximately 3.16 times the adjusted net asset value per Share as at 31 October 2007 (as adjusted by the issue of 3,633,552,000 rights Shares, net of expenses, and the issue of 117,623,114 Shares upon exercise of share options of the Company in November 2007), the Directors consider that the Exercise Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole. As at the date of this announcement, the 59,983,200 unlisted warrants, the granting of which was announced by the Company on 16 August 2007, have been fully exercised and the Company has no other equity securities in issue save for the outstanding share options of the Company.

Transferability

Subject to all applicable laws and regulations, the Warrants may be transferable to any person (save as the connected person of the Company) in integral multiples of 1,000,000 Warrants (or if at the time of transfer, the outstanding number of Warrants are less than 1,000,000, the whole but not part of the outstanding Warrants) subject to the payment of stamp duty in Hong Kong.

The holder(s) of the Warrants will have the right to exercise the subscription rights attaching to the Warrants, in whole or in part (in an amount or integral multiple of HK\$1,000,000) into Shares at any time commencing on the Business Day after the date of issuance of the Warrants but before the Maturity Date, to the extent that following such exercise, (i) a holder of the Warrants, together with a holder of the Convertible Bonds and parties acting in concert with it, taken together, will not directly or indirectly, control or be interested in Shares of 30% or more interest in the Company, being set with reference to the 30% voting right i.e. the threshold of Takeovers Code which will trigger general offer obligations and/or (ii) the Company is not able to comply with the public float requirement under the Listing Rules.

Information of the Warrants

The Warrants will be issued to the Subscriber upon completion of the Subscription in registered form and constituted by a deed poll. The Warrants will rank pari passu in all respects among themselves. Each Warrant carries the right to subscribe for one Warrant Share at the Exercise Price.

The subscription rights attaching to the Warrants is exercisable at any time during a period of 5 years commencing from the date of issue of the Warrants. The Warrant Shares, when fully paid and allotted, will rank pari passu in all respects with the then existing issued Shares. The Warrants will rank pari passu with all other present and future unsecured and un-subordinated obligations of the Company.

Upon full exercise of the subscription rights attaching to the Warrants, a total of 800,000,000 Warrant Shares, representing (i) approximately 19.44% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.28% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrants Shares from the full exercise of the subscription rights attaching to the Warrants, will be issued.

Voting rights for the holder(s) of the Warrants

The holder(s) of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holder(s) of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Conditions precedent of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon:

- (a) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and the Subscriber have no reasonable objection) listing of and permission to deal in the Conversion Shares and the Warrant Shares;
- (b) no event having occurred or occurring which would constitute an event of default or a potential event of default (please refer to the paragraph headed “Events of Default” below) had the Convertible Bonds and the Warrants been issued; and
- (c) the Shareholders (other than those required to abstain from voting pursuant to the Listing Rules) passing at the EGM the resolution(s) approving the issue of the Convertible Bonds and the Warrants and the allotment and issue of the Conversion Shares falling to be issued on the exercise of the conversion rights attached to the Convertible Bonds and the Warrant Shares falling to be issued on the exercise of the rights attached to the Warrants.

The Company and the Subscriber undertake to each other that they will exercise (to the extent they are able to exercise) their respective best endeavours to procure that the said conditions are fulfilled as early as practicable and in any event not later than 31 January 2008 or such later date as the parties may agree in writing.

In the event that the said conditions are not fulfilled on or before 31 January 2008 or such later date as the parties may agree in writing, the Subscription Agreement shall lapse and become null and void, and the parties shall be released from all their respective obligations thereunder.

Events of Default

Holder(s) of the Convertible Bonds may demand for early repayment of the Convertible Bonds held by them upon the occurrence of any one (or a combination of) events of default, including, but not limited to:

- (i) a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the Convertible Bonds and on its part to be performed or observed and such default continues for the period of 14 days following the service by holder of the Convertible Bonds on the Company of notice specifying brief details of such default and requiring such default to be remedied; or
- (ii) the Company or any of its principal subsidiaries becomes insolvent or is unable to pay its debts as they mature or applies for or consents to the appointment of any administrator, liquidator or receiver of the whole or any material part of its undertaking, property, assets or revenues or enters into a general assignment or compromise with or for the benefit of its creditors; or
- (iii) a resolution is passed or an order of a court of competent jurisdiction is made for the winding-up or dissolution of the Company, or the Company disposes of all or substantially all of its assets, otherwise, in any case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which shall have previously been approved in writing by an ordinary resolution of the holders of the Convertible Bonds; or
- (iv) suspension of Shares on the Stock Exchange for a period of 90 consecutive trading days or listing of the Shares on the Stock Exchange are being revoked or withdrawn.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors (including the independent non-executive Directors) consider that the Subscription provides a good opportunity for the Group to raise funds to strengthen its capital base and improve its financial position to provide flexibility for the Group's future development and expansion. Given that the Company is an investment company under Chapter 21 of the Listing Rules, its investment size on any single investment project shall not be more than 20% of the net asset value of the Company at the time when such investment is made. As stated in the prospectus of the Company relating to the issue of 3,633,552,000 rights shares dated 11 October 2007, the Company intends to invest, as a financial and strategic investor, in the state-owned enterprises engaged in national defense and military industries in the PRC (particularly those engaged in commercialization and development of technologies used in military for commercial and civil applications) at the early stage of their share restructuring. In addition, on 5 November 2007, the Company has signed a non-binding agreement-in-principle to invest in 北京黑峰航空科技有限公司 Beijing Heifeng Aviation Science and Technology Co., Ltd. ("Beijing Heifeng"), which is principally engaged in the research, development, manufacturing and sale of unmanned aircrafts in the PRC (the "Unmanned Aircrafts Project"). Since the potential investment projects in the national defense and military industries in the PRC are generally relatively large in scale, the investment stake of the Company to such projects is restricted in scale. As advised by Beijing Heifeng, there has been positive development regarding the Unmanned Aircrafts Project and Beijing Heifeng is in the process of discussing with its PRC legal advisers as to the establishment of an appropriate structure in preparation for the Company's potential investment. Beijing Heifeng is further considering to extend its co-operation with the Company in the research, development, manufacturing and sale of co-axial helicopters in the PRC. Accordingly, the Directors consider the Subscription, upon full conversion of the Convertible

Bonds into Shares and the full exercise of the subscription rights attaching to the Warrants, will enlarge the capital base of the Company to invest in such investment projects. The Directors (excluding the independent non-executive Directors, whose view will be rendered after reviewing the opinion of the Independent Financial Adviser) consider that the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

The aggregate net proceeds of the Subscription and full exercise of subscription rights attaching to the Warrants, after deduction of relevant expenses, are estimated to be approximately HK\$49 million and HK\$160 million, respectively. The Company intends to apply such amount to strengthen the capital base of the Group in order to seize any investment opportunities identified such as the Unmanned Aircrafts Project and potential investment opportunities to be identified by the Company. Any remaining balance will be utilized as the Group's general working capital. As at the date of this announcement, the Directors are still considering the future strategy of the Group's business activities and no suitable investment opportunities have been identified by the Directors so far save for the Unmanned Aircrafts Project.

LISTING OF THE CONVERSION SHARES AND THE WARRANT SHARES

The Convertible Bonds and the Warrants will not be listed on the Stock Exchange or any other stock exchanges, and applications will only be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares and the Warrant Shares which may fall to be allotted and issued upon the conversion and exercise of the Convertible Bonds (in part or in whole) and the Warrants.

FUND RAISING ACTIVITIES OF THE COMPANY

Save as the fund raising exercise as set out below, the Company does not have any fund raising exercises during the 12-month period prior to the date of this announcement:

Announcement Date	Description	Net Proceeds	Intended use of proceeds as announced	Actual use of proceeds
16 August 2007	Rights issue of 3,633,552,000 rights Shares and issue of 59,983,200 unlisted warrants	About HK\$141 million from the rights issue and about HK\$20 million from the issue and exercise of unlisted warrants	To invest in related national defense and military industries in the PRC by identifying such enterprises and acquiring equity interest in such enterprises	The net proceeds have been retained for investment purpose (<i>Note 1</i>)

Note 1: As the Company has not identified any appropriate investment since the above fund raising activity save for the potential investment in the Unmanned Aircrafts Project, the net proceeds from the aforesaid rights issue, the issue and exercise of the unlisted warrants has been placed in interest-bearing bank accounts for future investment purpose.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the conversion of the Convertible Bonds and the exercise of the Warrants in full; and (iii) immediately after the conversion of the Convertible Bonds and the exercise of the Warrants and assuming the 364,478,622 outstanding share options of the Company are fully exercised:

	As at the date of this announcement		Immediately after the conversion of the Convertible Bonds and the exercise of the Warrants in full		Immediately after the conversion of the Convertible Bonds and the exercise of the Warrants and assuming the outstanding share options of the Company are fully exercised	
	Share	%	Share	%	Share	%
Mr. Xiang	723,335,379	17.58	723,335,379	12.23	740,375,379	11.79
Subscriber (<i>Note 1</i>)	–	–	1,800,000,000	30.43	1,800,000,000	28.67
Subtotal	723,335,379	17.58	2,523,335,379	42.66	2,540,375,379	40.46
				(<i>Note 3</i>)		(<i>Note 3</i>)
Mr. Lu Kemin	660,383,891	16.05	660,383,891	11.17	660,383,891	10.52
Directors (<i>Note 2</i>)	25,560,000	0.62	25,560,000	0.43	99,541,966	1.58
Public Shareholders	2,705,251,044	65.75	2,705,251,044	45.74	2,978,707,700	47.44
	<u>4,114,530,314</u>	<u>100.00</u>	<u>5,914,530,314</u>	<u>100.00</u>	<u>6,279,008,936</u>	<u>100.00</u>

Note 1: The Subscriber is a private company wholly-owned by Mr. Xiang

Note 2: Excluding Mr. Xiang

Note 3: For illustration purpose only since the Subscriber and/or the successors of the holder(s) of the Convertible Bonds and the Warrants, together with parties acting in concert with it, will not directly or indirectly, control or be interested in Shares of 30% or more interest in the Company pursuant to the terms of the Subscription Agreement

GENERAL

As the Subscriber is a private company wholly-owned by Mr. Xiang (an executive Director and substantial Shareholder), it is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Subscription Agreement constitutes a connected transaction of the Company under the Listing Rules and is subject to the approval by the Independent Shareholders by poll at the EGM. The Subscriber and his associates will abstain from voting in respect of the resolution approving the Subscription Agreement at the EGM.

The Subscriber and Mr. Xiang confirm that they will fully comply with the Takeovers Code upon conversion of the Convertible Bonds and exercise of the subscription rights attaching to the Warrants.

An independent board committee of the Company comprising Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang, all being the independent non-executive Director, has been established to consider and to advise the Independent Shareholders the terms of the Subscription Agreement. South China Capital has been appointed as the Independent Financial Adviser to advise the independent board committee and the Independent Shareholders in this regard.

The Company will despatch to the Shareholders a circular containing, among other things, further details of the Subscription Agreement, the recommendation from the independent board committee to the Independent Shareholders, the recommendation of the Independent Financial Adviser to the independent board committee and the Independent Shareholders and a notice convening the EGM in accordance with the requirements of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 20 November 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 21 November 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	means any day (other than a Saturday or Sunday) on which licensed banks are open for general banking business in Hong Kong
“Company”	Sino Technology Investments Company Limited 中國創新投資有限公司, a company incorporated in the Cayman Islands with limited liability of the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the subscription of the Convertible Bonds pursuant to the terms and conditions of the Subscription Agreement
“Completion Date”	the fifth Business Day after the date on which all the conditions precedent are fulfilled or, as the case may be, waived by the Subscriber
“Convertible Bonds”	convertible bonds to be issued by the Company to the Subscriber in the aggregate principal amount of HK\$50,000,000 with a term of 5 years
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Shares”	1,000,000,000 Shares which will fall to be allotted and issued upon conversion of the Convertible Bonds at the conversion price of HK\$0.05 per Share (subject to adjustment)

“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held for considering, among other matters, (i) the approval for the entering into of the Subscription Agreement, the issuance of the Convertible Bonds and the Warrants and the transaction(s) contemplated therein; and (ii) the proposed Specific Mandate
“Exercise Price”	the exercise price of HK\$0.20 per Warrant Share (subject to adjustment) at which holder(s) of the Warrants may subscribe for the Warrant Shares
“Group”	the Company and its subsidiaries
“Independent Financial Adviser” or “South China Capital”	South China Capital Limited, being a deemed licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as set out in Schedule 5 to the SFO, the independent financial adviser appointed to advise the independent board committee and the Independent Shareholders in relation to the Subscription Agreement
“Independent Shareholders”	Shareholders other than the Subscriber and its ultimate beneficial owner and associates
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	19 November 2007, being the last trading day prior to the release of this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the fifth anniversary of the date of issuance of the Convertible Bonds
“Mr. Xiang”	Mr. Xiang Xin, being an executive Director and a substantial Shareholder of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administration Region of the People’s Republic of China and Taiwan
“SFO”	Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Specific Mandate”	a specific mandate to be granted to the Directors in relation to the allotment and issue of the Conversion Shares and Warrant Shares fall to be allotted under the terms to be approved by the Independent Shareholders at the EGM

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Harvest Rise Investments Limited, a private company wholly owned by Mr. Xiang and the subscriber of the Convertible Bonds and the holder of the Warrants
“Subscription Agreement”	a subscription agreement dated 19 November 2007 entered into between the Company and the Subscriber in respect of the subscription of the Convertible Bonds and issue of Warrants
“Subscription”	the subscription of the Convertible Bonds by and issue of the Warrants to the Subscriber pursuant to the Subscription Agreement
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Warrant(s)”	the 800,000,000 unlisted warrant(s) of the Company in units of subscription rights of HK\$0.20 each entitling the holders thereof to subscribe in cash up to HK\$160 million in aggregate for the Warrant Shares for a period commencing from the Maturity Date and expiring on the fifth anniversary of the Maturity Date at an subscription price of HK\$0.20 per Share (subject to adjustment) proposed to be issued in registered form in accordance with the terms of the Subscription Agreement
“Warrant Share(s)”	the new Shares to be allotted and issued by the Company upon exercise by the Subscriber of the subscription rights attached to the Warrants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
SINO TECHNOLOGY INVESTMENTS COMPANY LIMITED
Wong Chak Keung
Company Secretary

Hong Kong, 20 November 2007

As at the date of this announcement, the Executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Wong Chak Keung; 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.