



SINO TECHNOLOGY INVESTMENTS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1217)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2007

The board of directors (the “Board”) of Sino Technology Investments Company Limited (the “Company”) are pleased to announce the unaudited results of the Company for the six months ended 30 June 2007 with comparative figures for the corresponding period of 2006 as follows:

CONDENSED INCOME STATEMENT

		Six months ended 30 June	
		2007	2006
		(Unaudited)	(Unaudited)
		HK\$	HK\$
Turnover	Notes 2	407,462	234,723
Investment manager’s fee		(39,249)	(36,903)
Directors’ emoluments		(25,000)	(27,274)
Other operating expenses		(707,464)	(774,757)
Loss before taxation		(364,251)	(604,211)
Taxation		–	–
Loss attributable to shareholders		<u>(364,251)</u>	<u>(604,211)</u>
Loss per share			
– Basic	4	<u>(0.12) cents</u>	<u>(0.30) cents</u>

CONDENSED BALANCE SHEET

	30 June 2007 (Unaudited) HK\$	31 December 2006 (Audited) HK\$
Non-current assets		
Available-for-sale investments	<u>13,500,225</u>	<u>13,500,225</u>
Current assets		
Deposits and prepayment	199,089	344,227
Financial assets at fair value through profit or loss	14,707	–
Cash and cash equivalents	<u>15,251,122</u>	<u>15,718,102</u>
	<u>15,464,918</u>	<u>16,062,329</u>
Current liabilities		
Accruals	<u>201,417</u>	<u>434,577</u>
Net current assets	<u>15,263,501</u>	<u>15,627,752</u>
Total assets less current liabilities	<u>28,763,726</u>	<u>29,127,977</u>
Capital and reserves		
Share capital	2,999,160	2,999,160
Reserves	<u>25,764,566</u>	<u>26,128,817</u>
Total equity attributable to equity holders of the Company	<u>28,763,726</u>	<u>29,127,977</u>
Net asset value per share	<u>HK\$0.10</u>	<u>HK\$0.10</u>

Notes:

1 Basis of preparation and accounting policies

These unaudited Interim Financial Statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

These Interim Financial Statements should be read in conjunction with the 2006 annual report.

This interim financial report contains condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the 2006 annual report. The condensed interim financial statements and notes thereon do not include all of the information required for full set of financial statement prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”, which term collectively includes HKASs and Interpretations).

In the current period, the Company has applied, for the first time, the following new standards, amendments and interpretations (hereinafter collectively referred to as “new HKFRSs”), issued by the HKICPA, which are effective for the Company’s accounting periods beginning on 1 January 2007.

– HKAS 1 (Amendment)	Capital Disclosure ¹
– HKFRS 7	Financial Instruments: Disclosures ¹
– HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 financial reporting in hyperinflationary economies ²
– HK(IFRIC) - INT 8	Scope of HKFRS 2 ³
– HK(IFRIC) - INT 9	Reassessment of embedded derivatives ⁴
– HK(IFRIC) - INT 10	Interim financial reporting and impairment ⁵

¹ Effective for periods beginning on or after 1 January 2007

² Effective for periods beginning on or after 1 March 2006

³ Effective for periods beginning on or after 1 May 2006

⁴ Effective for periods beginning on or after 1 June 2006

⁵ Effective for annual periods beginning on or after 1 November 2006

The application of these new HKFRSs did not have any material impact on how the financial statements of the Company are prepared and presented for the current or prior accounting period.

The Company has not early applied the following new standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments and interpretations will have no material impact on the financial statements of the Group.

– HKAS 23 (Revised)	Borrowing costs ⁶
– HKFRS 8	Operating segments ⁶
– HK(IFRIC) - INT 11	HKFRS 2 – Group and treasure share transactions ⁷
– HK(IFRIC) - INT 12	Service concession arrangements ⁸

⁶ Effective for periods beginning on or after 1 January 2009

⁷ Effective for periods beginning on or after 1 March 2007

⁸ Effective for periods beginning on or after 1 January 2008

2 Turnover

	Six months ended 30 June	
	2007 (Unaudited) HK\$	2006 (Unaudited) HK\$
Interest income	239,763	180,342
Realised and unrealised gain on financial assets at fair value through profit or loss	167,699	54,381
	<u>407,462</u>	<u>234,723</u>

No segment information is presented as the Company has only one business activity, namely investment holding, which is principally operating in Hong Kong and the PRC.

3 Taxation

No provision for Hong Kong profits tax has been made in the financial statements as the Company has no assessable profit for the period (six months ended 30 June 2006: Nil).

4 Loss per share

The calculation of basic loss per share is based on the loss attributable to shareholders of HK\$364,251 (2006: HK\$604,211) and on 299,916,000 (2006: 199,944,000) shares in issue during the period.

No diluted loss per share was presented for both periods as the impact of the exercise of the share options is anti-dilutive.

Interim Dividend

To maintain the capital for operation and potential investment opportunities, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 30 June 2007, the Company recorded a total turnover of HK\$407,462, representing an increase of 73.6% compared to HK\$234,723 for the six months ended 30 June 2006. This increase in turnover was mainly due to increase in interest income and gains on financial assets.

The loss for the period was HK\$364,251, representing an decrease of 39.7% compared to the loss of HK\$604,211 for the six months ended 30 June 2006.

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.

During the six months ended 30 June 2007, the Company held investments in two unlisted companies namely Jinan LuGu (HK) Technology Development Limited (“Jinan LuGu”) and SNG Hong Kong Limited (“SNG”) and one unlisted convertible loan note issued by King Tiger Technology Company Limited (“King Tiger”) in its investment portfolio, which amounted to total cost and book value of HK\$26,928,270 and HK\$13,500,225 respectively.

Jinan LuGu is incorporated in Hong Kong and principally engaged in investment holding. As at 30 June 2007, Jinan LuGu indirectly held 59.5% interest in a company incorporated in the People’s Republic of China (“PRC”) of which the principal activity is manufacturing and trading of 陶瓷微電路基板 (Ceramic Microcircuit Substrates), 微電路模塊 (Microcircuit Modules), 陶瓷電子元(組)件 (Ceramic Electronic Apparatus Parts (Discreteness)). The Company holds 250 ordinary shares in Jinan LuGu, representing 25% interest in the issued share capital of Jinan LuGu. There were no dividends received from this investment during the period (2006: nil) under review.

SNG is incorporated in Hong Kong and principally engaged in investment holding. As at 30 June 2007, SNG indirectly held 38.5% interest in a company incorporated in the PRC, of which the principal activity is manufacturing and trading of 發光二極管芯片 (LED Chips). The Company holds 3,750 ordinary shares in SNG, representing 30% interest in the issued share capital of SNG. No dividend was received during the period (2006: nil) under review.

King Tiger is incorporated in Taiwan ROC and principally engaged in investment holding. It indirectly holds 49% interest in 安徽精通科技有限公司 (“安徽精通”). 安徽精通 is registered in the PRC as foreign investment enterprises by equity joint venture and is principally engaged in the manufacturing of solder ball by the Ball Grid Array technology. The Company holds a convertible loan note issued by King Tiger with face value of USD1,144,000 matured on 15 January 2006 with an interest rate of 6.5% per annum. Upon maturity of the convertible loan note, the Company had the right to convert the outstanding principal amount of the loan note together with the accrued interest, if any, into shares of 安徽精通, directly or indirectly. King Tiger had defaulted on the payment of interest since 31 December 2003. Further, the Company was informed by King Tiger that there were certain disputes between the shareholders of 安徽精通 which hindered the conversion of the shareholding to King Tiger or to the Company directly. In light of the above, for the sake of prudence, impairment loss for the full investment cost had been recognised during the year ended 31 December 2005.

As at the date of this report, the Company continued to hold the abovementioned investments in its investment portfolio. The Board is of the view that the business operations and the performance of such investments excluding the investment in the unlisted convertible loan note issued by King Tiger will grow with the economy in the PRC in the foreseeable future. With the solid financial position, the Company will continue to evaluate potential investments with high investment returns and yields for the shareholders.

In the Company’s announcement dated 16 August 2007, the Board announced that the Company will raise not less than approximately HK\$120 million and not more than approximately HK\$153 million, before expenses, by way of rights issue of not less than 3,000,120,000 Rights Shares and not more than 3,838,992,000 Rights Shares in the proportion of ten Rights Shares for every shares held on the Record Date at a price of HK\$0.04 per each Rights Share.

In view of the continuous economic improvement in Hong Kong and PRC, the directors consider that it is in the interests of the Company and the shareholders to raise additional finance through the issue of additional equity, to enlarge the Company’s capital base to further expand organically and by acquisition. Furthermore, the directors consider that as the economy of Hong Kong and the PRC is picking up, more investment opportunities can be identified in the near future. The directors consider that the Rights Issue provides the Company with sufficient flexibility and financial resources for making such investments and it is in the interests of the Company and its shareholders as a whole to raise capital by way of the Rights Issue which will allow all shareholders to participate in the growth and future development of the Company on equal terms.

Prospect

The board adopts a cautious and prudent approach in the investment selection and management processes. Looking forward, due to the continuous improvement in the general economies in Hong Kong and the PRC, more investment opportunities can be identified. The Company will continue to explore new investment opportunities in Hong Kong and the PRC. It is expected that investment involving in the share reform and restructuring of those major enterprises will help the Company to achieve medium to long-term capital appreciation for the shareholders. The Company has been actively searching for suitable investment opportunities to diversify its investment portfolio and to bring additional returns to the shareholders. Although no specific investment target had been identified as at the date of this report, the Company will continue to do so.

Upon completion of the above mentioned Rights Issue, the Company will be in a better financial position and can be more flexible in carrying out its investment objective, i.e. to achieve medium-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC.

Liquidity and Financial Resources

As at 30 June 2007, the Company had cash and bank balances of HK\$15,251,122. All the cash and bank balance were mainly placed as short term deposits in Hong Kong dollars with banks in Hong Kong.

For the period under review, the Company financed its operations with its own available funding and did not have any banking facilities. In this regard, the Company had a net cash position and its gearing ratio was zero (net debt to shareholders' funds) as at 30 June 2007. Taking into consideration the existing financial resources of the Company, it is anticipated that the Company should have adequate financial resources to meet its ongoing operating and development requirements.

Employee Information

The Company does not have any employee other than the Directors.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2007, the Company had not purchased, sold or redeemed any of its listed securities.

Corporate Governance

Code on Corporate Governance Practices

The Company had complied with the Code on Corporate Governance Practice ("Code") as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2007, save for deviation from Code A.4.1.

Under the code provision A.4.1 of the Code, directors should be appointed for a specific term, subject to re-election.

None of the existing Directors is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the Directors are subject to the retirement provisions of the Bye-laws of the Company that every Director shall be subject to retirement by rotation at least once every three years. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

Model Code on Securities Transactions by Directors

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuer ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiry of all Directors, the Directors of the Company have complied with the required standard set out in the Model Code regarding Directors' Securities Transactions.

Review by Audit Committee

The Audit Committee, comprising the three independent non-executive directors of the Company, has reviewed and discussed with the management the Company's unaudited interim financial report for the six months ended 30 June 2007, and the internal control and financial reporting matters.

Publication of Interim Report

This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkex.com.hk>) under the section "Latest Listed Companies Information" and the Company (<http://www.1217.com.hk/notice.asp>).

The 2007 Interim Report of the Company containing all the information required under paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules will be despatched to the shareholders of the Company as well as published on the aforesaid websites in due course.

Board of Directors

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.

On behalf of the Board
Wang Qing Yu
Chairman

Hong Kong, 20 September 2007