

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as the action to be taken, you should consult your licensed securities or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sino Technology Investments Company Limited ("Company"), you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities or other registered institution in securities, or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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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)

**PROPOSED CHANGE OF NAME OF THE COMPANY;
PROPOSED REFRESHMENT OF GENERAL MANDATE;
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION
IN RELATION TO MAXIMUM NUMBER OF BOARD MEMBERS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING OF THE COMPANY**

Financial adviser

COMMERZBANK 

Commerzbank AG Hong Kong Branch

**Independent financial adviser to the
Independent Board Committee and the Independent Shareholders**

VINCO 

Grand Vinco Capital Limited

A letter of advice from Grand Vinco Capital Limited, the independent financial adviser, containing its opinion and advice to the Independent Board Committee (as defined herein) and the Independent Shareholders (as defined herein) is set out on pages 13 to 19 of this circular. A letter of advice from the Independent Board Committee is set out on page 12 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Suites 2305-2307, 23rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong on Tuesday, 11 December 2007 at 10:00 a.m. or any adjournment is set out on pages 20 and 23 of this circular. Whether or not you are able to attend the EGM you are requested to complete and return the accompanying form of proxy, to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

19 November 2007

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company held on 25 May 2007
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“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, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be convened on Tuesday, 11 December 2007 for the purpose of considering, among other matters, (i) the proposed change of name of the Company; (ii) the proposed refreshment of the Existing General Mandate for the Directors to allot and issue Shares; (iii) the proposed refreshment of the Scheme Mandate Limit of the Share Option Scheme and (iv) the amendment to the Articles of Association in relation to the maximum number of Board members
“Eligible Participant(s)”	any full-time employees of the Company, Directors (including non-executive and independent non-executive Directors), part time employee of the Company with weekly working hours of 15 hours and above or of any of the subsidiaries of the Company; any advisor or consultant (in the areas of financial or corporate managerial) of the Company or any of the subsidiary of the Company; any advisor, consultant, agent or business affiliates who, in the sole determination of the Board, have contributed or may contribute to the Group, eligible for Options under the Share Option Scheme
“Existing General Mandate”	the general mandate to authorise the Directors to allot and issue up to 59,983,200 Shares pursuant to the resolution passed at the annual general meeting of the Company held on 25 May 2007

DEFINITIONS

“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising, Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang, being the three independent non-executive Directors, which was established for the purpose of advising the Independent Shareholders in connection with the refreshment of the Existing General Mandate
“Independent Shareholders”	Shareholders except the controlling Shareholders (has the meaning ascribed to it under the Listing Rules) and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	person(s) which is/are third party(ies) independent of the Company and its connected person(s) as defined under the Listing Rules
“Latest Practicable Date”	15 November 2007, being the latest practicable date for ascertaining certain information set out in this circular prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Xiang”	Mr. Xiang Xin, an executive Director and a Shareholder
“Options”	options to be granted by the Company to subscribe for Shares in accordance with the Share Option Scheme
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Macau Special Administration Region of the People’s Republic of China and Taiwan
“Registrar”	Union Registrars Limited, the branch share registrar of the Company in Hong Kong

DEFINITIONS

“Rights Issue”	the issue of the Rights Shares by the Company on the basis of 10 Rights Shares for every Share held by the Shareholders by way of rights at the subscription price of HK\$0.04 per Rights Share as detailed in the announcement of the Company dated 16 August 2007, the circular dated 17 September 2007 and the prospectus dated 11 October 2007
“Rights Share(s)”	3,633,552,000 new Shares issued by the Company pursuant to the Rights Issue
“Scheme Mandate Limit”	the 10% limit on grant of Options by the Company under the Share Option Scheme and any other share option scheme(s) of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares with par value of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 18 July 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vincor” or “Independent Financial Adviser”	Grand Vincor Capital Limited, a licensed corporation to carry on business in types 1 and 6 regulated activities (dealing in securities and advising on corporate finance, respectively) under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Existing General Mandate
“Warrants Subscription”	the subscription of the 59,983,200 unlisted warrants issued by the Company pursuant to the warrant subscription agreement dated 16 August 2007 which was detailed in the Company’s announcement of even date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Xiang Xin
Mr. Chan Cheong Yee
Mr. Wong Chak Keung

Non-executive Directors:

Mr. Wang Qing Yu (*Chairman*)
Mr. Ng Kwong Chue, Paul

Independent Non-executive Directors:

Mr. David Wang Xin
Mr. Zang Hong Liang
Mr. Lee Wing Hang

Registered Office:

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681 GT
George Town, Grand Cayman
Cayman Islands
British West Indies

*Head office and principal place
of business in Hong Kong:*

Suites 2305–2307
23rd Floor
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

19 November 2007

To the Shareholders

Dear Sir or Madam,

**PROPOSED CHANGE OF NAME OF THE COMPANY;
PROPOSED REFRESHMENT OF GENERAL MANDATE;
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;
AND
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION
IN RELATION TO MAXIMUM NUMBER OF BOARD MEMBERS**

INTRODUCTION

On 29 October 2007, the Directors announced that, among other things, the Company proposed to (i) change the English name of the Company from "Sino Technology Investments Company Limited" to "China Innovation Investment Limited"; (ii) refresh the Existing General Mandate; (iii) refresh the Scheme Mandate Limit of the Share Option Scheme and (iv) amend the Articles of Association to limit the maximum number of Board members.

LETTER FROM THE BOARD

The purpose of this circular is to give you details regarding (i) the proposed change of the name of the Company; (ii) the proposed refreshment of the Existing General Mandate; (iii) the proposed refreshment of the Scheme Mandate Limit; (iv) the proposed amendment to the Articles of Association; (v) letter of recommendation from the Independent Board Committee in relation to the refreshment of the Existing General Mandate; (vi) letter of recommendation from the Independent Financial Advisor to the Independent Board Committee and Independent Shareholders in relation to the refreshment of the Existing General Mandate and (vii) the notice convening the EGM and the related proxy form.

PROPOSED CHANGE OF NAME OF THE COMPANY

Reference is made to the announcement of the Company dated 29 October 2007 in which the Board announced that it proposed to change the English name of the Company from “Sino Technology Investments Company Limited” to “China Innovation Investment Limited” and the Chinese name of the Company will remain the same as 中國創新投資有限公司. The Directors believe that the new English name will better reflect the Group’s broaden investment strategies, including but not limited to, its intended investment in enterprises involving in the related national defense and military industries in the PRC. The Directors (including the independent non-executive Directors) consider that the proposed change of name of the Company is in the interest of the Company and the Shareholders as a whole.

The proposed change of the name of the Company is subject to, among other things (i) the passing of a special resolution by the Shareholders at the EGM and (ii) the Registrar of Companies in the Cayman Islands issuing a certificate of change of name of the Company.

The new name of the Company will take effect from the date of entry of the new name on the register maintained by the Registrar of Companies in the Cayman Islands. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

Share Certificates

The proposed change of name of the Company will not affect any of the rights of the existing holders of securities of the Company or the Company’s daily business operation and its financial position. The share certificates bearing the Company’s existing names will continue to be evidence of legal title and valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for free exchange of existing share certificates for new share certificates under the new name of the Company. However, new share certificates of the Company will be issued under the new name of the Company after the change of its name has become effective.

Further announcement(s) will be made once the change of the name of the Company becomes effective and on any proposed change in the stock trading name of the Company.

LETTER FROM THE BOARD

Shareholders who wish to exchange the Company's existing share certificates for new ones bearing the new name may from 9:00 a.m. to 4:00 p.m. in any business day, after the change of name becomes effective, submit their existing share certificates to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong to exchange for new share certificates at the expense of the Shareholders. Share certificate exchange fee of HK\$2.50 (or such higher amount as may be prescribed or allowed under the Listing Rules from time to time, whichever is higher) for each new share certificate to be issued will be charged to the Shareholders. It is expected that new share certificates will be available within ten business days from the date of submission of the existing share certificates in exchange for the new share certificates.

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant the Existing General Mandate to allot and issue up to 59,983,200 Shares. However, as detailed in the Company's announcement dated 16 August 2007, the entire Existing General Mandate had been used for the issue of 59,983,200 Shares under the Warrant Subscription which had been fully exercised in September 2007, as a result, the unutilised Existing General Mandate had been reduced to nil.

As at the Latest Practicable Date, the Company had an aggregate of 4,083,067,200 Shares in issue, assuming that no further Shares are repurchased or issued from the Latest Practicable Date up to the date of EGM, it is expected that the refreshment of the Existing General Mandate will result in the Directors being authorised to allot and issue up to 816,613,440 new Shares.

As described in the Company's prospectus dated 11 October 2007, it is the Company's intention to invest in those PRC state-owned enterprises engaged in national defense and related industries (particularly, those engaged in the commercialisation and development of technologies used in military for commercial and civil applications). The Directors consider that equity financing is of an important avenue of resources to the Company and are of the view that the refreshment of the Existing General Mandate will provide additional financial flexibility so as to respond to the market promptly, particularly, when future fund raising exercises and potential merger and acquisition opportunities arises. As such, the Directors are of the opinion that the refreshment of the Existing General Mandate to allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM is in the interest of the Company and the Shareholders as a whole.

IMPLICATION OF THE LISTING RULES

Since the refreshment of the Existing General Mandate to allot and issue Shares is proposed to the Shareholders prior to the Company's next annual general meeting, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing General Mandate will be subject to the approval of the Shareholders by way of a poll at the EGM and any controlling Shareholders and their associate shall abstain from voting in favour of the

LETTER FROM THE BOARD

relevant resolutions in respect of the refreshment of the Existing General Mandate. Since there are no controlling Shareholders as at the Latest Practicable Date, the Directors (excluding the independent non-executive Directors) and chief executive of the Company and their respective associates will abstain from voting in favour of the relevant resolution relating to the refreshment of the Existing General Mandate. Accordingly, each of Mr. Xiang, Mr. Chan Cheong Yee and Mr. Wong Chak Keung, being the executive Directors, Mr. Wang Qing Yu and Mr. Ng Kwong Chue, Paul, being the non-executive Directors and their respective associates will abstain from voting in favour of such resolutions. As at the Latest Practicable Date, Mr. Xiang and Mr. Chan Cheong Yee and their associates who in aggregate have control or are entitled to control 723,335,379 Shares and 17,040,000 Shares respectively (representing approximately 17.72% and 0.42% respectively of the issued share capital of the Company) are required to abstain from voting in favour thereon. As at the Latest Practicable Date, no other Directors are interested in any Shares.

PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION MANDATE

The Share Option Scheme was adopted by the Company on 18 July 2002. The initial Scheme Mandate Limit was set at 10% of the Shares in issue on the date the Shares commenced trading on the Stock Exchange after the date of adoption of the Share Option Scheme which amounted to 20,000,000 Options and a total of 20,000,000 Options had been granted in January 2003 (the "First Options"). An ordinary resolution had been passed at an extraordinary general meeting of the Company held on 9 October 2007 to refresh the number of Options to be granted under the Share Option Scheme up to 36,335,520 Options, of which 36,000,000 Options (the "Second Options") have been granted in October 2007. After completion of the rights issue conducted by the Company in 2006, the number of the First Options outstanding were adjusted to 24,000,000 Options, of which 3,456,000 Options had been exercised prior to the Rights Issue. In addition, after completion of the Rights Issue on 31 October 2007, the number of the First Options and Second Options outstanding have been further adjusted to 175,381,736 Options and 306,720,000 Options respectively. In November 2007 up to the Latest Practicable Date, an additional of 86,160,000 Options had been exercised and, as a result, the Company had a total of 395,941,736 Options outstanding, representing approximately 9.70% of the issued share capital of the Company as at the Latest Practicable Date. In view of the Company's recent proposed investment in enterprises involving in the related national defense and military industries in the PRC, the Directors have proposed to refresh the Scheme Mandate Limit so as to enable the Company to grant further Options to Eligible Participants to provide opportunities and incentives for them to work towards enhancing the values of the Company and the Shares.

As at the Latest Practicable Date, the Company had an aggregate of 4,083,067,200 Shares in issue and assuming no additional Shares will be issued or repurchased from the Latest Practicable Date up to the date of the EGM, it is expected that, upon the approval of the refreshment of the Scheme Mandate Limit of the Share Option Scheme at the EGM, the Directors will be authorised to issue Options to subscribe up to 408,306,720 Shares, representing 10% of the number of Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

However, the First Options and the Second Options previously granted under the Share Option Scheme (including but not limited to those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for purpose of calculating the Scheme Mandate Limit as refreshed. The Directors consider that such refreshment of the Scheme Mandate Limit of the Share Option Scheme is in the interest of the Company and the Shareholders as a whole.

No outstanding Options of the Company will be lapsed as a result of the refreshment of the Scheme Mandate Limit of the Share Option Scheme and the aggregate number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme at any time should not exceed 30% of the Shares in issue from time to time. No Options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

Save for the Share Option Scheme, the Company has no other share option scheme as at the Latest Practicable Date.

Conditions of the refreshment of the Scheme Mandate Limit

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of the ordinary resolution by the Shareholders at the EGM to approve the proposed refreshment of the Scheme Mandate Limit of the Share Option Scheme by way of a poll; and
2. the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

Pursuant to Article 98(1) of the Articles of Association, there is no limit as to the maximum number of Directors in the Board unless otherwise approved by the Shareholders at the general meeting of the Company. With a view to increasing the management efficiency of the Company and to simplifying the decision-making process of the Board, the Directors propose to put forward to the Shareholders for approval of a special resolution to amend the Articles of Association at the EGM to limit the maximum number of Directors in the Board to 10.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE GROUP IN THE PAST TWELVE MONTHS

The following table summaries the fund raising activities of the Group during the 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Net proceeds (Approximately)	Intended use of proceeds	Actual use of proceeds
16 August 2007	Rights Issue	HK\$141 million	Proceeds from both Rights Issue and subscription and exercise of unlisted warrants will be for the purpose of the Company's investment in PRC enterprises engaged in related national defenses and military industries	Entire proceeds from the Rights Issue and subscription and exercise of unlisted warrants retained for future investment purpose (<i>Note 1</i>)
16 August 2007	Issue of unlisted warrants	HK\$20 million		

Note 1: As the Company has not identified any specific investment since the above fund-raising activities, the net proceeds from the aforesaid Rights Issue, subscription and exercise of unlisted warrants has been placed in interest-bearing bank accounts for future investment purpose.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprises Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang, all being the independent non-executive Directors has been formed to make recommendations to the Independent Shareholders in relation to the refreshment of Existing General Mandate and Vinco has been appointed as an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of Existing General Mandate.

EGM

A notice convening the EGM of the Company to be held at Suites 2305–2307, 23rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong or any adjournment thereof is set out on pages 20 to 23 of this circular at which resolutions will be proposed to consider and, if thought fit, to approve the refreshment of the Existing General Mandate by Independent Shareholders as well as to approve (i) the proposed change of name of the Company; (ii) the proposed refreshment of the Scheme Mandate Limit of the Share Option Scheme and (iii) the amendment to the Articles of Association by the Shareholders.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy, to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL AT GENERAL MEETING

Article 77 of the Articles of Association of the Company sets out the following procedure by which Shareholders may demand a poll.

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the Chairman of such meeting; or
- (ii) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

EXPERT AND CONSENT

The following are the qualifications of the expert who has been named in this circular or has given opinion or advice which are contained in this circular:

Name	Qualification
Vinco	a corporation licensed to conduct types 1 and 6 (dealing in securities and advising on corporate finance) regulated activities under the SFO

Vinco has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its names in the form and context in which they appear.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Vinco did not have any shareholding, directly or indirectly, in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Vinco did not have any direct or indirect interests in any assets which had been since 31 December 2006, the date of which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to, or proposed to be acquired or disposed of by, or leased to, any members of the Group.

RECOMMENDATION

Your attention is drawn to the letter of advice from Vinco set out on pages 13 to 20 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the refreshment of the Existing General Mandate and the letter from the Independent Board Committee set out on page 12 of this circular which contains its recommendation to the Independent Shareholders in relation to the refreshment of the Existing General Mandate. The Independent Board Committee, having taken into account the advice of Vinco in relation to the refreshment of the Existing General Mandate, is of the opinion that the refreshment of the Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and its Shareholders as a whole.

In view of the various reasons and benefits of the proposed (i) change of name of the Company; (ii) refreshment of the Existing General Mandate; (iii) refreshment of the Scheme Mandate Limit of the Share Option Scheme; and (iv) amendment to the Articles of Association, the Directors, after taken into the advice from Vinco and the Independent Board Committee, recommend that the Independent Shareholders to vote in favour of the resolution in respect of the refreshment of the Existing General Mandate and the Shareholders to vote in favour of the resolutions in respect of the proposed (i) change of name of the Company; (ii) refreshment of the Scheme Mandate Limit of the Share Option Scheme and (iii) amendment to the Articles of Association.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this circular misleading.

Yours faithfully,
By order of the Board

Xiang Xin

Executive Director and Chief Executive Officer



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)

19 November 2007

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 19 November 2007 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed refreshment of the Existing General Mandate to authorise the Directors to issue and allot up to 20% of the total issued share capital of the Company as at the date of the EGM is fair and reasonable so far as the Independent Shareholders are concerned. Vinco has been appointed as the Independent Financial Adviser to advise us in this respect.

Having taking into account the principal reasons and factors considered by, and the advice of the Independent Financial Adviser as set out in its letter of advice on pages 13 to 19 of the Circular, we are of the opinion that the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the refreshment of the Existing General Mandate.

Yours faithfully,

Independent Board Committee

Mr. David Wang Xin

Independent

Non-executive Director

Mr. Zang Hong Liang

Independent

Non-executive Director

Mr. Lee Wing Hang

Independent

Non-executive Director

LETTER FROM VINCO

The following is the text of a letter of advice from Grand Vinco Capital Limited to the Independent Board Committee of the Company and the Independent Shareholders in connection with the proposed refreshment of Existing General Mandate, which has been prepared for the purpose of incorporation in this circular:

VINCO  城高
Grand Vinco Capital Limited
Unit 4909-4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

19 November 2007

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed refreshment of Existing General Mandate to be sought at the EGM to authorize the Directors to issue and allot Shares not exceeding 20% of the issued share capital of the Company as at the date of EGM (the "New General Mandate"), details of which are set out in the section headed "Letter from the Board" in the circular (the "Circular") issued by the Company to the Shareholders dated 19 November 2007 of which this letter forms part. Capitalized terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

According to the announcement of the Company dated 16 August 2007 (the "Announcement"), the Company entered into the warrants subscription agreement, pursuant to which 59,983,200 Shares had been issued upon full exercise of the warrants in September 2007, resulting in the Existing General Mandate being fully utilised. In order to provide a flexible mean for the Company to raise further funds for its future business development and/or through the issue of new Shares whenever investment opportunities arise, the Board proposes to refresh the Existing General Mandate by granting the New General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of EGM.

LETTER FROM VINCO

The refreshment of the Existing General Mandate to allot and issue Shares is proposed to the Shareholders prior to the Company's next annual general meeting, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing General Mandate will be subject to the approval of the Independent Shareholders by way of a poll at the EGM and any controlling Shareholders and their associate shall abstain from voting in favour of the relevant resolutions in respect of the refreshment of the Existing General Mandate. Since there are no controlling Shareholders as at the Latest Practicable Date, the Directors (excluding the independent non-executive Directors) and chief executive of the Company and their respective associates will abstain from voting in favour of the relevant resolution relating to the refreshment of the Existing General Mandate. Accordingly, each of Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Wong Chak Keung, being the executive Directors, Mr. Wang Qing Yu and Mr. Ng Kwong Chue, Paul, being the non-executive Directors and their respective associates will abstain from voting in favour of such resolutions. As at the Latest Practicable Date, Mr. Xiang Xin, Mr. Chan Cheong Yee and their respective associates who in aggregate have control or are entitled to control 723,335,379 Shares and 17,040,000 Shares respectively (representing approximately 17.72% and 0.42% respectively of the issued share capital of the Company) are required to abstain from voting in favour thereon. As at the Latest Practicable Date, no other Directors are interested in any Shares.

The Independent Board Committee, comprising Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the refreshment of the Existing General Mandate by granting the New General Mandate to the Directors is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION AND RECOMMENDATION

In compliance with rule 13.80 of the Listing Rules, in forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reasons to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reasons to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

LETTER FROM VINCO

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

This letter is issued for the information to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the proposed refreshment of Existing General Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the proposed New General Mandate, we have considered the principal factors and reasons set out below:

Background of and reasons for the New General Mandate

The Company is an investment holding company listed pursuant to 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 PRC.

The Existing General Mandate was granted to the Directors to allot and issue up to a maximum of 59,983,200 Shares (equivalent to 20% of the then issued share capital of the Company) at the AGM held on 25 May 2007. According to the Announcement, the entire Existing General Mandate had been fully utilized for the issue of 59,983,200 Shares upon full exercise of the warrants under the Warrant Subscription. In this regard, the Directors are of the view that the refreshment of the Existing General Mandate with the grant of the New General Mandate would provide a flexible means for the Company to raise further funds for its investment in, including but not limited to, the enterprises involving in the related national defense and military industries in the PRC through the issue of new Shares.

The Board proposed to pass an ordinary resolution at the EGM to approve the proposed New General Mandate to allow flexibility to issue additional new Shares so that the Directors would be granted to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM. The New General Mandate will be in force when it is approved by the Independent Shareholders at the EGM.

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Having taken account of the Rights Issue (which became unconditional on 31 October 2007) which resulted in the issue of 3,633,552,000 new Shares and assuming no further new Shares will be repurchased or issued by the Company after completion of the Rights Issue and up to the date of the EGM, it is expected that the Company's issued share capital will comprise 4,083,067,200 Shares. Accordingly, it is expected that the New General Mandate will result in the Directors being authorized to allot and issue up to 816,613,440 new Shares.

Fund raising activities in the past 12 months

The following table summarizes the information relating to the Company's fund raising activities in the past 12 months:

Date of Announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
16 August 2007	Rights Issue	HK\$141 million	Proceeds from both Rights Issue and subscription and exercise of unlisted warrants will be for the purpose of the Company's investment in PRC enterprises engaged in related national defense and military industries	Entire proceeds from the Rights Issue and subscription and exercise of unlisted warrants has been retained for future investment purpose (Note 1)
16 August 2007	Issue of unlisted warrants	HK\$20 million		

Note 1: As the Company has not identified any specific investment since the above fund-raising activities, the net proceeds from the aforesaid Rights Issue, subscription and exercise of unlisted warrants has been placed in interest-bearing bank accounts for future investment purpose.

According to the announcement dated 2 November 2007, the Rights Issue has become unconditional on 31 October 2007 and it is noted that the proceeds have not been utilized by the Company within the short period of time between the completion of Rights Issue and the Latest Practicable Date.

The Directors confirmed that the existing cash resources of the Group are sufficient for it to conduct its daily operations and the Group has sufficient working capital to meet its present requirements. However, there is no certainty that such cash resources will be adequate for possible investments that may be identified by the Company in the future. In the event that the Group identifies a suitable investment opportunity and does not have sufficient cash resources on hand, and it fails to obtain loans on terms which the Directors consider acceptable to the Group or raise funds from the equity capital market, or it cannot find other alternatives to finance the acquisition of such investment opportunity in a timely manner, the Group may lose its bid in an otherwise favourable investment.

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Financial flexibility

The Directors believed that the granting of the New General Mandate will provide the Company with additional flexibility for its investment in the enterprises involving in the related national defense and military industries in the PRC as detailed in the Announcement, the circular dated 17 September 2007 and the prospectus dated 11 October 2007 respectively, for purposes including but not limited to, future fund raising exercises and potential merger and acquisition opportunities through issuance of new Shares. In addition, as disclosed in the announcement dated 23 October 2007, the Company entered into the co-operation memorandum with CITIC Investment Holdings Limited, the investment arm of CITIC Group, for the establishment of a strategic alliance in co-investment in the PRC. However, the Directors cannot perceive whether or not there will be any issue of Shares and the amount thereof and the application of such proceeds as at the Latest Practicable Date.

We consider that the granting of the New General Mandate could enhance the financial flexibility of the Company to raise capital and to strengthen the capital base of the Group, if and when required, through placing of Shares for further development of the Group as disclosed hereabove. In addition, the Directors consider that if investment opportunities arise, decisions may have to be made within a short period of time. The New General Mandate would provide the Group with the maximum flexibility as allowed under the Listing Rules to allot and issue new Shares to raise capital through placing of Shares as consideration for funding such potential investments in the future as and when such opportunities arise. The increased amount of capital which may be raised under the New General Mandate provides more options of financing to the Group when assessing and negotiating potential acquisitions in a timely manner.

Other financing alternatives

Other than raising fund by way of issuing equity capital, the Directors will consider other financing methods such as bank financing, debt financing and funding through internal resources in order to meet its financing requirements arising from future development of the Group, depending on the then financial position, capital structure and cost of funding of the Group and the then market condition. As confirmed by the Directors, the New General Mandate provides another alternative to the Directors to finance the Group's businesses and the Directors will use the method which serves the best interest of the Group. We consider that it is a sensible consideration to make reference to the then financial position of the Group in order to decide on a financing method for the future development of the Group.

LETTER FROM VINCO

Potential dilution to shareholding of the Independent Shareholders

For illustration purpose, we set out below a table setting out the respective shareholding structures of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilization of the New General Mandate:

	Existing shareholding as at the Latest Practicable Date		Shareholding after full utilization of the Issue Mandate	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
Mr. Xiang (<i>Note 1</i>)	723,335,379	17.72	723,335,379	14.76
Mr. Lu Kemin (<i>Note 2</i>)	660,383,891	16.17	660,383,891	13.48
Mr. Chan Cheong Yee (<i>Note 3</i>)	17,040,000	0.42	17,040,000	0.35
Issue of new Shares under the New General Mandate	–	–	816,613,440	16.67
Other public Shareholders	<u>2,682,307,930</u>	<u>65.69</u>	<u>2,682,307,930</u>	<u>54.74</u>
Total	<u>4,083,067,200</u>	<u>100.00</u>	<u>4,899,680,640</u>	<u>100.00</u>

Note:

1. Mr. Xiang Xin, an executive Director of the Company, is interested in 723,335,379 Shares, representing approximately 17.72% of the entire issued share capital of the Company as at the Latest Practicable Date.
2. Mr. Lu Kemin is an Independent Third Party and a substantial shareholder.
3. Mr. Chan Cheong Yee is an executive Director.

For illustrative purpose, (i) assuming that the New General Mandate is approved by the Independent Shareholders at the EGM and (ii) the New General Mandate is fully utilized, 816,613,440 Shares will be issued, representing 20% of the entire issued share capital of the Company as at the Latest Practicable Date, and approximately 16.67% of the entire issued share capital of the Company as enlarged by the Shares issued under the New General Mandate respectively.

The aggregate shareholding of the Independent Shareholders will decrease from approximately 65.69% to approximately 54.74% upon full utilization of the New General Mandate, a potential maximum dilution of approximately 10.95%. Having considered that the New General Mandate (i) will provide an alternative to increase the amount of capital which may be raised under the New General Mandate; (ii) provides more options of financing to the Group for further development of its business as well as in other potential future investment and/or acquisitions as and when such opportunities arise and; (iii) the fact that the shareholding of each of the Shareholders will be diluted proportionally to their respective shareholdings upon any utilization of the New General Mandate, we consider such potential maximum dilution to shareholdings of the Independent Shareholders to be justifiable.

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CONCLUSION

Having taken the above principal factors and reasons into consideration, we are of the view that the New General Mandate is fair and reasonable, so far as the Independent Shareholders are concerned and that the New General Mandate is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the New General Mandate.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“EGM”) of the shareholders of Sino Technology Investments Company Limited (the “**Company**”) will be held at Suites 2305–2307, 23rd Floor, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong on Tuesday, 11 December 2007 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTION

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

1. “To the extent not already exercised, the general mandate to allot and issue shares of the Company given to the directors of the Company as at the annual general meeting of the Company held on 25 May 2007 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution) and replaced by the mandate, **THAT**
 - (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue or otherwise deal with additional shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, options and warrants which would or might require the exercise of such powers be generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options and warrants which would or might require the exercise of such power after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to Shares issued as a result of a Rights Issue (as defined below), the exercise

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of the subscription or conversion rights attaching to any warrants issued by the Company or any securities which are convertible into Shares of the Company or the exercise of options granted under any option scheme adopted by the Company or any scrip dividend or similar arrangement providing for the allotment of Shares implemented in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution,

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the law or the Articles of Association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of shares open for a period fixed by the directors of the Company to the holders of Shares of the Company or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange).”

2. “**THAT** conditional upon the passing of resolution no. 1 above, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company pursuant to resolution no. 1 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the shares which are repurchased by the Company pursuant to and in accordance with the general mandate to repurchase shares of the Company granted to the directors of the Company at the annual general meeting of the Company held on 25 May 2007, provided that such additional amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at 25 May 2007.”

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3. **“THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of, the listing of and permission to deal in, the Shares to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the **“Scheme Mandate Limit”**) under the share option scheme adopted by written resolution of the Company on 18 July 2002 in the manner as set out in paragraph (a) of this resolution below,
 - (a) the refreshment of the Scheme Mandate Limit of up to 10% of the Shares of the Company in issue as at the date of passing of this resolution be and is hereby approved; and
 - (b) the directors of the Company be and are hereby authorized to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

SPECIAL RESOLUTION

To consider and, if thought fit, pass with or without amendments, the following resolutions as special resolution:

4. **“THAT** subject to and conditional upon the approval of the Registrar of Companies in Cayman Islands, the name of the Company be changed from **“Sino Technology Investments Company Limited 中國創新投資有限公司”** to **“China Innovation Investment Limited 中國創新投資有限公司”** with effect from the date of entry of the new name on the register maintained by the Registrar of Companies in the Cayman Islands and the directors of the Company be and are hereby authorized generally to do such acts and things and execute all documents or make such arrangements as they may deem necessary or desirable to effect the change of name.”
5. **“THAT** the articles of association (**“Articles”**) of the Company be and are hereby amended in the following manner:
 - (a) Article 98(1)

By deleting the existing Article 98(1) in its entirety and substituting therefor the following new Article 98(1):

“98(1). Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be a maximum number of ten (10) Directors. The Directors shall be elected or appointed in the first place by the subscribers to the

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Memorandum of Association or by a majority of them and thereafter in accordance with Article 88 and shall hold office until their successors are elected or appointed.”

By Order of the Board
Sino Technology Investments Company Limited
Xiang Xin
Executive Director and Chief Executive Officer

Hong Kong, 19 November 2007

Registered office:

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681 GT
George Town, Grand Cayman
Cayman Islands
British West Indies

*Head office and principal place of
business in Hong Kong:*

Suites 2305–2307, 23/F
Two Chinachem Exchange Square
338 King’s Road
North Point
Hong Kong

Notes:

- (a) The register of members of the Company will be closed from Thursday, 6 December 2007 to Tuesday, 11 December 2007 (both days inclusive) during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the EGM, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company’s branch share registrar, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 5 December 2007.
- (b) A form of proxy for use at the EGM is enclosed. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company’s branch share registrar, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding such meeting.