SINO TECHNOLOGY INVESTMENTS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1217)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

On behalf of the Board of Directors (the "Directors") of Sino Technology Investments Company Limited (the "Company"), I am pleased to present to you the Company's audited final results for the year ended 31 December 2006.

RESULTS

Turnover for the year ended 31 December 2006 amounted to HK$428,041, a 94.3% decrease from HK$7,474,554 for the year ended 31 December 2005. Loss attributable to shareholders for the year amounted to HK$1,187,183, demonstrating a decrease of 87.5% over HK$9,511,663 recorded in last year.

INCOME STATEMENT

For the year ended 31 December 2006

	Notes	2006 HK$	2005 HK$
Turnover	4	**428,041**	7,474,554
Impairment loss recognised in respect of interest receivables		**–**	(1,714,777)
Impairment loss recognised in respect of available-for-sale investments		**–**	(13,428,045)
Investment manager's fee		**(68,639)**	(106,428)
Directors' emoluments		**(53,096)**	(45,957)
Other operating expenses		**(1,493,489)**	(1,691,010)
Loss before taxation		**(1,187,183)**	(9,511,663)
Taxation	5	**–**	–
Loss attributable to shareholders		**(1,187,183)**	(9,511,663)
Basic loss per share	7	**(0.53) cents**	(4.76) cents

NOTES TO THE FINANCIAL STATEMENTS

1 General

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands and the Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The Company is an investment holding company. Its principal investment objective is to achieve medium-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the People's Republic of China (the "PRC").

The financial statements are presented in Hong Kong dollars which is the functional currency of the Company.

2 Adoption of new and revised standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2006. The adoption of these new and revised Standards and Interpretations has no material effect on how the results of operation and financial position of the Company are prepared and presented.

3 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), (which also include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial instruments classified as financial assets at fair value through profit or loss are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumption that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other source. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4 of the financial statements of the annual report.

(c) Financial assets

The Company's financial assets are mainly classified into financial assets at fair value through profit or loss, available-for-sale investments and loans and receivables. All regular way purchase and sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss

The investments that acquired principally for purpose of selling in the near term are classified as financial assets at fair value through profit or loss. They are measured at fair value without any deduction for transaction costs it may incur on sale or other disposal. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measure at fair value, with changes in fair value recognised directly in the profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivable (including dividend, interest and other receivables and bank balances) are carried at amortised cost using the effective interest method, less any impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets in equity securities or are not classified in any of the other three categories under the scope of HKAS 39. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. For investments where there is no active market and whose fair value cannot be reliably measured, such investments are measured at cost less any impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Interest and other receivables

Interest and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts. The impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(e) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are taken to equity as a deduction, net of tax, from the proceeds.

(f) Revenue recognition

Gains or losses on sale of investments are recognised upon the execution of a legally binding and irrevocable contract of sale.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Interest income is recognised as it accrues using the effective interest method.

(g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arises from the initial recognition of assets and liabilities in a transaction that affects neither the accounting profit nor the tax profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(h) Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which case, the exchange differences are also recognised directly in equity.

(i) Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Company where those parties are individuals, and post-employment benefits plans which are for the benefit of employees of the Company or of any entity that is a related party of the Company.

(j) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

4 Turnover

An analysis of the turnover of the Company is as follows:

	2006	2005
	HK$	HK$
Interest on convertible loans receivable	**–**	577,980
Bank interest income	**363,849**	117,026
Realised and unrealised gain on financial assets at fair value through profit or loss	**64,192**	6,779,548
	428,041	7,474,554

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.

5 Taxation

No provision for Hong Kong profits tax has been made in the financial statements as the Company has no assessable profit for both years.

6 Dividend

No dividend has been paid or declared by the Company during the year (2005: nil).

7 Loss per share

The calculation of basic loss per share is based on the loss attributable to shareholders of HK$1,187,183 (2005: HK$9,511,663) and the weighted average number of 225,416,318 (2005: 199,944,000) ordinary shares in issue.

The options do not have dilutive effect because the exercise price of the options exceeds the average market price of ordinary shares during the years ended 31 December 2005 and 2006. No diluted loss per share has been presented for both years.

BUSINESS REVIEW

The Company's shares were listed on The Main Board of The Stock Exchange of Hong Kong Limited on 28 August 2002.

For the year under review, the Company continued to hold investments in two unlisted companies namely Jinan Lugu and SNG and one unlisted convertible loan note from King Tiger, which amounting to total cost and book value of approximately HK$26.9 million and HK$13.5 million respectively.

INVESTMENT PORTFOLIOS

For the year under review, the Company continues to hold the following investments:

Jinan LuGu (HK) Technology Development Limited ("Jinan LuGu") is incorporated in Hong Kong and principally engaged in investment holding. At 31 December 2006, it indirectly held 59.5% interest in a company incorporated in the PRC, of which the principal activity is manufacturing and trading of 陶瓷微電路基板, 微電路模塊, 陶瓷電子元(組)件. The Company holds 250 ordinary shares in Jinan LuGu, representing 25% interest in the issued share capital of Jinan LuGu. The Company did not receive any dividend from this investment during the year.

SNG Hong Kong Limited ("SNG") is incorporated in Hong Kong and principally engaged in investment holding. At 31 December 2006, 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. The Company holds 3,750 ordinary shares in SNG, representing 30% interest in the issued share capital of SNG. The Company did not receive any dividend from SNG during the year.

King Tiger Technology Company Limited ("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 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 maturing on 15 January 2006 with an interest rate of 6.5% per annum. Upon maturity of the convertible loan note, the Company has the right to convert the outstanding principal amount of the loan note together with the accrued interest, if any, into shares, directly or indirectly, in 安徽精通. 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.

PROSPECTS

Looking forward, with the economic environment continually improving in Hong Kong and Mainland China, the Company will continue to explore the investment opportunities.

LIQUIDITY AND FINANCIAL POSITION

As at 31 December 2006, the Company had cash and bank balances of approximately HK$15,718,000. All the cash and bank balances were mainly placed as short-term deposits in Hong Kong dollars with banks in Hong Kong.

For the year 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 is zero (net debt to shareholders' funds) as at 31 December 2006. Taking into consideration the existing financial resources to the Company, it is anticipated that the Company should have adequate financial resources to meet its ongoing operating and development requirements.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year, save for deviation from Codes A4.1.

- The Non-executive Directors of the Company are not appointed for a specific term, but are subject to retirement by rotation in accordance with the Company's Articles of Association and shall be eligible for re-election.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company had not purchased, sold or redeemed any of its listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results for the year ended 31 December 2006 of the Company.

ACKNOWLEDGEMENTS

I would like to take this opportunity to express my appreciation and heartfelt thanks to those who have given their utmost support to us during the year.

Wang Qing Yu
Chairman

Hong Kong, 13 April 2007

As at the date of this announcement, the Executive Directors of the Company are Mr Xiang Xin, Mr Chan Cheong Yee, Mr Kwok Chi Hung, Mr Ng Tin Sang and Mr Lin Zhiqun Brett; 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.