
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this document, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sino Stride Technology (Holdings) Limited, you should at once hand this document and the accompanying forms of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



SINO STRIDE

SINO STRIDE TECHNOLOGY (HOLDINGS) LIMITED
中程科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

**PROPOSED CHANGE OF DOMICILE
TO FACILITATE THE PROPOSED SHARE REDEMPTION
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Independent Financial Adviser to the Independent Shareholders



Guangdong Securities Limited

A letter from the Board, the advice of the Independent Financial Adviser to the Independent Shareholders and a notice convening the EGM of the Company to be held at 2:30 p.m. on 26 November, 2008 at Room 501-504, 5th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong, are set out on pages 5 to 12, 13 to 19 and 20 to 21 respectively of this circular.

Whether or not you are able to attend the meeting or any adjournment thereof, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrars in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, 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 meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof if you so wish.

3 November, 2008

CONTENTS

	<i>Page</i>
Definitions	1
Expected Timetable	4
Letter from the Board	
Proposed Change of Domicile	5
Proposed Share Redemption	6
Reasons for Proposed Share Redemption	6
Disadvantages of Cayman Scheme	6
Proposed Share Redemption	7
Cheques for Redemption Price	8
Cancellation of Shares Redeemed	8
Financial Effect of Proposed Share Redemption	9
Extraordinary General Meeting	10
Recommendation of Directors	10
Recommendation of Independent Financial Adviser	11
Action to be Taken by Shareholders	11
Procedures for Demanding a Poll	12
Letter from Guangdong Securities	13
Notice of Extraordinary General Meeting	20

DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“BVI”	the British Virgin Islands
“BVI Business Companies Act”	the BVI Business Companies Act, 2004 as amended from time to time
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law of the Cayman Islands, Cap. 22 (Law 3 of 1961) as amended and consolidated from time to time
“Cayman Scheme”	a scheme of arrangement under section 86 of the Cayman Companies Law, for the acquisition of and/or cancellation of all the shares of the Independent Shareholders
“Company”	Sino Stride Technology (Holdings) Limited, a company incorporated in the Cayman Islands as an exempt company with limited liability
“Controlling Shareholder”	Made Connection
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, the Proposed M&A Amendment, the Proposed Change of Domicile, the Proposed Adoption of BVI M&A and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities as defined under the SFO and the independent financial adviser to the Independent Shareholders in respect of the Proposed Share Redemption
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the Shareholders other than the Controlling Shareholder who are not interested in the transactions described in this circular

DEFINITIONS

“Latest Practicable Date”	30 October, 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Made Connection”	Made Connection Limited, a wholly-owned subsidiary of Shougang Technology and a registered Shareholder
“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Taiwan, Hong Kong and Macau
“Proposed Adoption of BVI M&A”	the proposed adoption by the Company of a new set of memorandum and articles of association in order to comply with the requirements of the laws of BVI
“Proposed Change of Domicile”	the proposed change of the domicile of the Company from the Cayman Islands to BVI by way of de-registration in the Cayman Islands and continuation as a limited liability company under the laws of BVI
“Proposed M&A Amendment”	the proposed amendment to the memorandum of association of the Company to state explicitly that the Company may exercise the power contained in the Cayman Companies Law to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction
“Proposed Share Redemption”	the proposed redemption by the Company pursuant to section 176 of the BVI Business Companies Act, of all the Shares held by the Shareholders other than the Controlling Shareholder
“Redemption Price”	HK\$0.336 per Share redeemed pursuant to the Proposed Share Redemption
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Cap. 571) of Hong Kong
“Share(s)”	ordinary share(s) of nominal value HK\$0.01 each in the Company
“Shareholder(s)”	holder(s) of the Shares
“Shougang Technology”	Shougang Concord Technology Holdings Limited, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited, is the holding company of Made Connection and the ultimate controlling shareholder of the Company

DEFINITIONS

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong

“%” per cent

For the purposes of this circular, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1 to HK\$1.06, for the purposes of illustration only. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Proposed Change of Domicile and the Proposed Share Redemption. This timetable is indicative only and may be varied due to additional time being required for compliance with the regulatory requirements in the Cayman Islands or BVI. If there is (i) a tropical cyclone warning signal number 8 or above; or (ii) a “black” rainstorm warning signal in force between 9:00 a.m. and 4:00 p.m. on the relevant dates, the relevant dates will be adjourned to the next business day which does not have either of those warnings in force in Hong Kong.

Expected Hong Kong time

Latest time for lodging proxy forms.	2:30 p.m. on 24 November, 2008
EGM.	2:30 p.m. on 26 November, 2008
Publication of results of EGM on www.sinostride.com.	on 27 November, 2008
Proposed Change of Domicile effective	on 17 December, 2008
Delivery of written redemption instruction from the Controlling Shareholder to the Company	on 22 December, 2008
Despatch of notice of redemption from the Company to Shareholders other than the Controlling Shareholder.	on 24 December, 2008
Last date for dissenting to Redemption Price	on 31 December, 2008
Completion of Proposed Share Redemption, cancellation of Shares and cheques for Proposed Share Redemption despatched	
(i) assuming no notice of dissent is received from any Shareholder	on 2 January, 2009
OR	
(ii) assuming notice of dissent is received from one or more Shareholder(s) and the Company and the Shareholder(s) are able to agree on the redemption price within 30 days from the date of the making of an offer to purchase shares at fair value from the Company	on 4 February, 2009
OR	
(iii) assuming notice of dissent is received from one or more Shareholder(s) and the Company and the Shareholder(s) are not able to agree on the redemption price within 30 days from the date of the making of an offer to purchase shares at fair value from the Company and the parties resort to appointment of appraisers under the BVI Business Companies Act	on 24 February, 2009

LETTER FROM THE BOARD



SINO STRIDE

SINO STRIDE TECHNOLOGY (HOLDINGS) LIMITED 中程科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Directors:

Mr. Cao Zhong (*Chairman*)
Mr. Chau Chit (*Chief Executive Officer*)
Mr. Hu Guang
Mr. Jiang Dong

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Room 501-504, 5th Floor
Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

3 November, 2008

To the Shareholders

Dear Sir/Madam

PROPOSED CHANGE OF DOMICILE TO FACILITATE THE PROPOSED SHARE REDEMPTION NOTICE OF EXTRAORDINARY GENERAL MEETING

PROPOSED CHANGE OF DOMICILE

To facilitate the Proposed Share Redemption, the Board proposes to change the domicile of the Company from the Cayman Islands to BVI by way of de-registration in the Cayman Islands and continuation as a limited liability company under the laws of BVI.

Conyers Dill & Pearman, who act as the Cayman and BVI legal advisers of the Company, have confirmed to the Company that the continuation of the Company into BVI under the Proposed Change of Domicile does not create any new legal entity and does not prejudice or otherwise affect the continuity of the Company. The Board has confirmed that neither the underlying assets, investments, management or financial position of the Company nor the proportionate interests of the Shareholders will be altered as a result. No assets of the Company will be transferred as a consequence of the Proposed Change of Domicile. The principal place of business of the Company in Hong Kong as referred to on this page of this circular will also continue to be located at the same address in Hong Kong.

LETTER FROM THE BOARD

In order to facilitate the Proposed Change of Domicile, it is proposed that the existing memorandum of association of the Company first be amended by adding a clause to explicitly state that the Company may exercise the power contained in the Cayman Companies Law to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.

To effect the Proposed Change of Domicile, it is also proposed that a new set of memorandum and articles of association will be adopted by the Company that will comply with the requirements of the laws of BVI.

PROPOSED SHARE REDEMPTION

On 30 October, 2008, Made Connection which holds approximately 99.7% of the total issued capital of the Company, indicated to us that following the Proposed Change of Domicile taking effect, it intends to give the Company a written instruction directing the Company to redeem the Shares held by all Shareholders other than the Controlling Shareholder under section 176 of the BVI Business Companies Act. Under section 176, a BVI company is required to redeem the Shares specified in the written instruction, irrespective of whether or not the Shares are by their terms redeemable, which is received from a shareholder holding 90% or more of its outstanding share capital.

Upon the Proposed Change of Domicile becoming effective and subject to receipt of the written direction under section 176(1) of the BVI Business Companies Act, the Board is obliged to put into effect a redemption pursuant to the laws of BVI of all the shares held by Shareholders other than the Controlling Shareholder. Upon the Proposed Share Redemption being completed the issued share capital of the Company will be reduced by the cancellation of all the Shares held by the Shareholders other than the Controlling Shareholder and the Company will become a wholly-owned subsidiary of the Controlling Shareholder.

Reasons for Proposed Share Redemption

The Directors are of the opinion that the Proposed Share Redemption can assist the Shareholders (other than the Controlling Shareholder) in realising their investment in the Company. Furthermore, the Proposed Share Redemption can facilitate the administration and operation of the Company. It is the intention of the Controlling Shareholder to maintain the existing businesses of the Company upon the successful share redemption of the Company, subject to the passing of the resolutions approving the Proposed M&A Amendment, the Proposed Change of Domicile and the Proposed Adoption of BVI M&A as referred to in the section headed "Notice of Extraordinary General Meeting" below.

Disadvantages of Cayman Scheme

Share redemption of the Company can also be effected by means of a scheme of arrangement under the law of the Cayman Islands, for the acquisition and/or cancellation of all the shares of the Independent Shareholders. However, the cost of implementing a Cayman Scheme, including the cost of court proceedings in the Cayman Islands, is substantially higher than is required for the Proposed Change of Domicile followed by the Proposed Share Redemption in BVI, and the time required to complete a Cayman Scheme is also typically much longer.

LETTER FROM THE BOARD

Court and Shareholders' approval is required for a Cayman Scheme. Any such scheme would have to be approved by a majority in number representing 75% in value of the Shareholders present and voting either in person or by proxy at an extraordinary general meeting of the Company. Dissenting Shareholders would not have express appraisal rights under the Cayman Companies Law, but the court in the Cayman Islands would only sanction a scheme if it was fair. Shares owned by the Controlling Shareholder can be voted to approve a Cayman Scheme but the court in the Cayman Islands would be concerned to see that the Shareholders approving the scheme is fairly representative of the general body of Shareholders.

Proposed Share Redemption

Following the Proposed M&A Amendment, Shareholders' approval is proposed to be sought for a change of domicile from the Cayman Islands to BVI, but no Shareholders' approval would be required for a redemption of Shares under section 176 of the BVI Business Companies Act. A change of domicile is proposed to be approved by a simple majority of Shareholders present and voting either in person or by proxy at an extraordinary general meeting of the Company.

Under the BVI Business Companies Act, any Shareholder or Shareholders holding 90% or more of the votes of the outstanding Shares may instruct the Company to redeem the Shares held by the remaining Shareholders and upon receipt of such written instructions, the Company shall be required to redeem the Shares specified in the written instructions.

The Company will give notice to all Shareholders whose Shares are to be redeemed after receipt of such written instructions stating the redemption price and the manner in which the redemption is to be effected and offering to purchase the shares at the price that the Company has determined to be their fair value. Shareholders whose Shares are to be redeemed may dissent from the price proposed by the Company for redemption of their Shares within 7 days from the date of despatch by the Company to them of the notice to redeem by writing addressed to the Company at the address specified in such notice.

If no notice of dissent is received from any Shareholder(s), completion of the redemption in respect of the Shares held by all Shareholders will take place 2 days upon expiry of the 7 day period referred to above. If notice of dissent is received from any Shareholder(s) within the 7 day period, the Company shall make an offer to all Shareholders to purchase their shares at a price that the Company determines to be their fair value (which will be equivalent to the Redemption Price) within 5 days from the expiry of the 7 day period. If the Company and the Shareholder(s) agree upon the price to be paid for their Shares within 30 days from the date on which the fair value offer is made, completion of the Proposed Share Redemption will take place as soon as possible upon the expiry of the 30 day period and the Company shall pay to all Shareholders the amount in money upon such completion.

LETTER FROM THE BOARD

If notice of dissent is received from any Shareholder(s) and no price is agreed between the Shareholder(s) and the Company within 30 days immediately following the date on which the fair value offer is made, then appraisers should be appointed by the Company and the Shareholder(s) in the manner provided in the BVI Business Companies Act to fix the fair redemption value as soon as is reasonably possible but no later than within 10 days from the expiry of the aforementioned 30 day period and the share redemption will be completed within 20 days from the expiry of the aforementioned 30 day period. All Shareholders, whether or not they have objected to the price, will be entitled to the fair redemption value fixed by the appraisers.

We have engaged Guangdong Securities as the Independent Financial Adviser to advise on the terms of the Proposed Share Redemption, including the Redemption Price, so as to ensure that such terms are normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and that the Proposed Share Redemption is in the interests of the Company and the Independent Shareholders as a whole.

Cheques for Redemption Price

Upon the completion of the Proposed Share Redemption, the Company will pay to each holder of Shares other than the Controlling Shareholder (as evidenced by the register of members of the Company as of such completion date) the amount of HK\$0.336 per Share. The Redemption Price will be paid free of any lien, set-off, counterclaim or other encumbrance whether in favour of the Company or the Controlling Shareholder and will not be subject to stamp duty in Hong Kong.

The Redemption Price payable to a Shareholder will be paid by cheque mailed to the address set out against the Shareholder's name in the register of members of the Company as of such effective date (in the case of a joint holding to the address enrolled therein in relation to the holder whose name stands first in the register) at the risk of the persons entitled thereto (including losses which may arise out of delay in transmission).

Encashment of cheques despatched shall be deemed good discharge to the Company in respect of the payment of the Redemption Price represented thereby. Cheques which are not cashed or are returned uncashed within 6 months of being despatched will be cancelled. All the monies represented thereby which remain unclaimed for 6 years from the date of redemption shall be forfeited and shall revert to the Company.

Cancellation of Shares Redeemed

The Company will at the same time as the cheques for the Redemption Price are despatched to Shareholders cancel all the Shares in respect of which the Redemption Price is so paid. All certificates previously issued in respect of Shares so cancelled shall cease from such date to have any effect as documents or evidence of title.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF PROPOSED SHARE REDEMPTION

As of the date of this circular, the Company had outstanding 3,211,000 Shares which will not be altered under the Proposed Change of Domicile and will fall subject to the Proposed Share Redemption. The Company has no outstanding options, warrants or other similar rights over or debt convertible into any part of its share capital.

Cash position and net asset value

For the Proposed Share Redemption, the Company will pay the Redemption Price from its internal resources. As at 31 December, 2007, the Group had cash and cash equivalents amounting to approximately RMB13.9 million (equivalent to approximately HK\$14.7 million) and the consolidated net asset value of the Group was approximately RMB162.8 million (equivalent to approximately HK\$172.6 million). The Proposed Share Redemption will decrease each of the cash and cash equivalents and the consolidated net asset value of the Group by approximately HK\$1,078,896 (being the cash payment to those Shareholders whose 3,211,000 Shares in total are proposed to be redeemed at the Redemption Price of HK\$0.336 per Share). The Directors believe that Proposed Change of Domicile and the Proposed Share Redemption will not have a material adverse impact on the Group's cash position and consolidated net asset value.

Gearing

As at 31 December, 2007, the gearing ratio of the Group (expressed as bank loans of approximately RMB86.1 million (equivalent to approximately HK\$91.2 million) to Shareholders' equity of approximately RMB158.2 million) stood at approximately 54.4%. The 3,211,000 Shares subject to the Proposed Share Redemption will be cancelled. In this regard, the Shareholders' equity immediately upon the completion of the Proposed Share Redemption will be decreased by approximately HK\$1,078,896 (being the total consideration payable to those Shareholders accepting the Proposed Share Redemption). The Directors are of the view that the Proposed Change of Domicile and the Proposed Share Redemption will not have a material adverse impact on the Group's gearing ratio.

Earnings per Share

Earnings per Share for the year ended 31 December, 2007 was approximately RMB0.70 cents, computed based on (i) net profit attributable to Shareholders for the year ended of approximately RMB7,587,000 and (ii) a total 1,082,170,000 Shares in issue. As 3,211,000 Shares subject to the Proposed Share Redemption will be cancelled, the number of Shares in issue will decrease by 3,211,000 to 1,078,959,000 and the earnings per Share will increase by approximately 0.3% to RMB0.703 cents per Share. The Directors are of the view that the Proposed Change of Domicile and the Proposed Share Redemption will not have a material impact on the Group's earnings per Share.

LETTER FROM THE BOARD

Dividends

The Company has not paid any dividend to any Shareholders during the years ended 31 December, 2006 and 2007.

Based on the above, the Directors are of the view that the Redemption Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

EXTRAORDINARY GENERAL MEETING

Set out on pages 20 to 21 of this circular is the notice convening the EGM to be held at 2:30 p.m. on 26 November, 2008 at Room 501-504, 5th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong as well as any adjournment thereof, for the purpose of considering and, if thought fit, passing, the following resolutions:

- (a) a special resolution to approve the Proposed M&A Amendment;
- (b) an ordinary resolution to approve the Proposed Change of Domicile, the effectiveness of which is conditional on the passing of the resolution approving the Proposed M&A Amendment; and
- (c) a special resolution to approve the Proposed Adoption of BVI M&A, the effectiveness of which is conditional on the passing of the resolution approving the Proposed Change of Domicile.

The Controlling Shareholder would be entitled to vote on all the above resolutions and no Shareholders are required to abstain from voting for the resolutions to be put forward at the EGM. The Shares held by the Controlling Shareholder comprise 1,078,959,000 Shares (approximately 99.7%).

RECOMMENDATION OF DIRECTORS

The Directors are of the opinion that it is preferable to have the Company change its domicile to BVI and carry out a share redemption under the laws of BVI instead of carrying out a Cayman Scheme.

The Directors are of the further opinion that the Redemption Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The Directors therefore recommend that the Shareholders vote in favour of the resolutions to approve the Proposed M&A Amendment, the Proposed Change of Domicile and the Proposed Adoption of BVI M&A which are to be proposed at the EGM.

LETTER FROM THE BOARD

The recommendations of the Directors do not constitute advice regarding taxation, and Shareholders should consult their own advisers regarding their own tax position as regards any actions taken by them in connection with the matters set out in this circular.

Additionally, nothing in this circular shall be construed or interpreted as an offer or invitation in relation to securities in any jurisdiction where such offer or invitation would be subject to the registration of any securities or any prospectus or compliance with any requirements relating to the invocation of any waivers or safe harbors or as representing that any such registration or compliance has been completed by the Company. Shareholders in such jurisdictions must satisfy themselves as to the observance of all the applicable laws and regulations of such jurisdictions.

RECOMMENDATION OF INDEPENDENT FINANCIAL ADVISER

As the Company was delisted from the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited as of 6 November, 2006, all the then non-executive directors of the Company have resigned. All the current Directors are the employees of Shougang Technology or its subsidiaries. As such, it is impossible to form an independent board committee to advise the Shareholders. The Company has therefore appointed Guangdong Securities as the Independent Financial Adviser in relation to the Proposed Share Redemption to provide advice as to whether (i) the terms of the Proposed Share Redemption are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Proposed Share Redemption is in the interests of the Company and the Shareholders as a whole.

Your attention is drawn to their letter set out on pages 13 to 19 of this circular in which they express the view that the terms of the Proposed Share Redemption, in particular the Redemption Price, are fair and reasonable to the Shareholders other than the Controlling Shareholder whose Shares are proposed to be subject to the Proposed Share Redemption.

ACTION TO BE TAKEN BY SHAREHOLDERS

A form of proxy for use by the Shareholders at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's share registrars in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event, not later than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you wish to do so.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL

In accordance with Article 66 of the articles of association of the Company, a resolution put to the vote of an extraordinary general meeting shall be decided on a show of hands unless (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:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized 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 the Shares conferring that right; or
- (e) if required by the rules of the designated stock exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting rights at such meeting.

By order of the Board
Sino Stride Technology (Holdings) Limited
Cao Zhong
Chairman

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Shareholders in respect of the Proposed Share Redemption for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

3 November, 2008

To: The independent shareholders of Sino Stride Technology (Holdings) Limited

Dear Sirs,

PROPOSED SHARE REDEMPTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Shareholders in respect of the Proposed Share Redemption, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 3 November, 2008 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As referred to in the Board Letter, the Board proposes to change the domicile of the Company from the Cayman Islands to BVI by way of de-registration in the Cayman Islands and continuation as a limited liability company under the laws of BVI. Pursuant to section 176 of the BVI Business Companies Act, upon receipt of a written instruction from a shareholder holding 90% or more of its outstanding share capital, a BVI company is required to redeem all the shares specified in such written instruction.

As at the Latest Practicable Date, Made Connection was interested in approximately 99.7% of the total issued capital of the Company. On 30 October, 2008, Made Connection indicated to the Company that, following the Proposed Change of Domicile taking effect, it intends to give the Company a written instruction regarding the Proposed Share Redemption.

We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Shareholders on (i) whether the terms of the Proposed Share Redemption are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Proposed Share Redemption is in the interests of the Company and the Shareholders as a whole.

LETTER FROM GUANGDONG SECURITIES

BASIS OF OUR OPINION

In formulating our opinion to the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the management of the Group. We have assumed that all information and representations that have been provided by the management of the Group, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the date hereof. We have also assumed that all statements of belief, opinion, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the management of the Group, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Made Connection or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Share Redemption.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities has been to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposed Share Redemption, we have taken into consideration the following principal factors and reasons:

(1) Background of the Proposed Share Redemption

Information on the Company

The Group is principally engaged in the development and provision of system integration solutions in the PRC. The Group's customers include government organizations, medical and health organizations, financial institutions, hotels and real estate developers. The principal system integration solutions provided by the Group are intelligence building system integration solutions and computer network system integration solutions.

LETTER FROM GUANGDONG SECURITIES

The Company was listed on the Growth Enterprise Market operated by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (“**GEM**”) in July 2002 and it voluntarily withdrew its listing status in November 2006 by way of conditional cash offer for the Shares at a price of HK\$0.17 per Share (the “**Share Repurchases**”). Through the Share Repurchases, the Company repurchased 4,130,000 Shares from the public and those Shares were cancelled afterwards. Accordingly, the effective shareholding interest of Shougang Technology in the Company was increased from approximately 71.3% to approximately 71.6%.

On 31 August, 2007, Shougang Technology had further entered into an agreement with Singapore Technologies Electronics Limited (“**ST Electronics**”), a prior substantial shareholder of the Company, regarding the acquisition of approximately 28.12% of the equity interest in the Company (the “**ST Acquisition**”). Details of the ST Acquisition are included in the circular of Shougang Technology dated 24 September, 2007 (the “**ST Circular**”). The consideration for the ST Acquisition was HK\$102,011,939 (equivalent to approximately HK\$0.335 per Share). Upon completion of the ST Acquisition, Shougang Technology’s effective equity interest in the Company was increased from approximately 71.6% to approximately 99.7%.

Tabularised below is a summary of the audited consolidated financial information on the Group prepared in accordance with HKFRS for the two years ended 31 December, 2007 as provided to us by the Company:

Consolidated Income Statement	For the year ended 31 December, 2007 <i>(audited)</i> RMB’000	For the year ended 31 December, 2006 <i>(audited)</i> RMB’000	Year on year change %
Turnover	264,538	237,745	11.27
Gross profit	47,759	40,911	16.74
Net profit/(loss)	7,587	(5,854)	N/A
Consolidated Balance Sheet	As at 31 December, 2007 <i>(audited)</i> RMB’000	As at 31 December, 2006 <i>(audited)</i> RMB’000	Year on year change %
Bank balances and cash	13,911	15,718	(11.50)
Net asset value	162,813	157,474	3.39

As depicted by the above table, the Group recorded an audited total turnover of approximately RMB264.54 million for the year ended 31 December, 2007, representing an upsurge of approximately 11.27% as compared to the prior year. There was also a corresponding increase in the gross profit of the Group during the same said year. In this regard, we have discussed with the management of the Group and were advised that the business as well as the financial performance of the Company has been relatively stable over the past years.

LETTER FROM GUANGDONG SECURITIES

As at 31 December, 2007, the Group's audited consolidated net asset value was approximately RMB162.81 million, and the Group had bank balances and cash of approximately RMB13.91 million.

(2) Reasons for the Proposed Share Redemption

The Directors confirmed that they consider that the Proposed Share Redemption can assist the Independent Shareholders in realising their investment in the Company and can facilitate the administration and operation of the Company. The Controlling Shareholder also plans to maintain the existing businesses of the Company upon the successful share redemption of the Company, subject to the passing of the resolutions of the Proposed M&A Amendment, the Proposed Change of Domicile and the Proposed Adoption of BVI M&A.

As advised by the Company's legal adviser as to Cayman Islands law & BVI law, besides the Proposed Share Redemption, share redemption of the Company can be effected by means of a scheme of arrangement under the law of the Cayman Islands, for the acquisition of and/or cancellation of all the Shares of the Independent Shareholders. Nevertheless, the cost of implementing a Cayman Scheme, including the cost of court proceedings in the Cayman Islands, is substantially higher than is required for the Proposed Change of Domicile followed by the Proposed Share Redemption in BVI, and the time required to complete a Cayman Scheme is also typically much longer. For these reasons, the Company proposed to carry out the Proposed Share Redemption.

We noted that the Company was delisted in November 2006. The Independent Shareholders after the delisting (i) do not have an exit from the Company due to the lack of secondary market for the Shares; and (ii) are not protected by the Rules Governing the Listing of Securities on GEM. Based on the foregoing, we concur with the Directors that the Proposed Share Redemption provides a way out to the Independent Shareholders. In addition, we also noted from the Board Letter that the Proposed Share Redemption will not be subject to stamp duty in Hong Kong.

In conclusion, since (i) the Proposed Share Redemption can facilitate the administration and operation of the Company; (ii) the Proposed Share Redemption requires less time and cost than a Cayman Scheme; and (iii) the Proposed Share Redemption will not be subject to stamp duty in Hong Kong according to the Board Letter, we consider the Proposed Share Redemption to be in the interests of the Company and the Shareholders as a whole.

(3) The Redemption Price

The Redemption Price is equal to HK\$0.336 per Share and the total consideration in cash for the Proposed Share Redemption amounts to approximately HK\$1,078,896 based on 3,211,000 Shares held by the Independent Shareholders. The management of the Group confirmed that the Company shall satisfy the total consideration for the Proposed Share Redemption by the Group's internal resources. As further advised by the management of the Group, the Redemption Price was determined with reference to the transacted price of HK\$0.335 per Share for the ST Acquisition. The Redemption Price represents a price to earnings ratio of approximately 45.21 times based on the earnings per Share for the year ended 31 December, 2007.

LETTER FROM GUANGDONG SECURITIES

The Redemption Price also represents a premium of approximately 110.67% over the net asset value per Share of approximately HK\$0.16 as at 31 December, 2007 (based on the audited consolidated net asset value of the Company of approximately HK\$172.6 million at the exchange rate of RMB1 to HK\$1.06 as at 31 December, 2007 and 1,082,170,000 issued Shares as at the Latest Practicable Date).

Independent Shareholders should note that the comparison of the Redemption Price with the net asset value was included for illustrative purpose only as the Directors confirmed that the Redemption Price was agreed with reference to the transacted price of HK\$0.335 per Share for the ST Acquisition.

As referred to in the ST Electronics Circular, the consideration for the ST Acquisition was determined with reference to a valuation report on the market value of the Company of RMB360 million (equivalent to approximately HK\$362.8 million at the exchange rate of RMB1 to HK\$1.0078) as at 30 June, 2007 (the “**Valuation**”). The Valuation was prepared by an independent valuer using the market approach. As further referred to in the ST Electronics Circular, the independent financial adviser to Shougang Technology for the ST Acquisition was of the view that the methodology and assumptions used in arriving at the Valuation were fair and reasonable. Given that the Redemption Price is approximately equivalent to the transacted price of HK\$0.335 per Share for the ST Acquisition and is higher than the conditional cash offer price of HK\$0.17 per Share for the Share Repurchases, we are of the view that the Redemption Price is justifiable.

It should be noted that there is a significant time gap of nearly one year between the ST Acquisition and the Proposed Share Redemption and thus the aforesaid ratio analysis is only used for illustrative purpose.

(4) Comparison with other market comparables

To assess the fairness and reasonableness of the Redemption Price, we have performed a trading multiple analysis which includes the price to earnings ratio analysis (“**PER**”) and the price to book ratio analysis (“**PBR**”). However, we are of the view that the net asset value of the Company may not be able to sufficiently reflect the intangible assets, such as technology and expertise, which the Company possesses. Thus, we do not consider the PBR analysis to be a meaningful tool for making comparison.

In this regard, we have researched for companies which are listed on the Stock Exchange and are in similar lines of business as the Company (i.e. having businesses relating to the development of information technology system) (the “**Comparable Companies**”). When performing our research, we have excluded companies which recorded losses and/or were at a net liabilities position as per their latest published financial information. To the best of our knowledge and as far as we are aware of, we found three companies which meet the aforementioned selection criteria.

LETTER FROM GUANGDONG SECURITIES

The following table sets out (a) the implied PER of the Comparable Companies based on (i) their closing prices as at the Latest Practicable Date; and (ii) their latest publicly available financial information; and (b) the implied PER of the Proposed Share Redemption based on (i) the Redemption Price; and (ii) the earnings per Share for the year ended 31 December, 2007:

Company name (Stock code)	Principal business	Year end date	PER	Market capitalization <i>HK\$ million</i>
Computer and Technologies Holdings Ltd. (46)	Provision of system and network integration services, IT solutions implementation, application development services, enterprise applications, IT operation outsourcing services, and distribution of digital media products.	2007/12/31	5.64	155.21
Excel Technology International Holdings Ltd. (8048)	Sale of enterprise software products and provision of maintenance services, systems integration services and resale of complementary hardware and software products, consultancy services, and services in respect of ASP business.	2007/12/31	13.17	53.19
Beijing Beida Jade Bird Universal Sci-Tech Co. Ltd. (8095)	Research, development, manufacturing, marketing and sales of embedded systems, related products, and integrated circuits, provision of total solution through application of its existing embedded system products.	2007/12/31	0.59	72.72
	Maximum		13.17	
	Minimum		0.59	
	Median		5.64	
	The Company		45.21	

Source: *the Stock Exchange web-site (www.hkex.com.hk)*

LETTER FROM GUANGDONG SECURITIES

As shown by the above table, the Comparable Companies were trading at implied P/E ranging from approximately 0.59 times to approximately 13.17 times. The P/E as implied by the Proposed Share Redemption of approximately 45.21 times is hence above the said market range and we are thus of the opinion that the P/E as implied by the Proposed Share Redemption is acceptable.

It should be noted that the businesses, operations and prospects of the Company are not the same as the Comparable Companies and we have not conducted any in-depth investigation into the businesses and operations of the Comparable Companies. Accordingly, the Comparable Companies are only used for illustrative purpose.

(5) Possible financial effects of the Proposed Share Redemption

Based on the relevant calculations we requested and as provided by the management of the Group, we noted that the Proposed Share Redemption would not lead to any material effect on the net asset value, earning and gearing position of the Group, while the Group's working capital would be reduced by approximately HK\$1.4 million, being the total consideration in cash for the Proposed Share Redemption plus the related expenses.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Proposed Share Redemption.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Proposed Share Redemption are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Proposed Share Redemption is in the interests of the Company and the Shareholders as a whole.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



SINO STRIDE TECHNOLOGY (HOLDINGS) LIMITED

中程科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Sino Stride Technology (Holdings) Limited (the “**Company**”) will be held at 2:30 p.m. on 26 November, 2008 at Room 501-504, 5th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing by way of special business the following resolutions (with or without amendments):

Resolution 1 – Special Resolution

THAT the existing memorandum of association be and is hereby amended by adding the following clause as a new clause 9: “The Company may exercise the power contained in the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.”

Resolution 2 – Ordinary Resolution

THAT subject to the passing of Resolution 1 above, the Company be and is hereby authorized to discontinue out of the Cayman Islands and continue into the British Virgin Islands.

Resolution 3 – Special Resolution

THAT subject to the passing of Resolution 2 above, the memorandum of association and articles of association of the Company produced to this meeting marked “A” and signed by the chairman of this Meeting for the purpose of identification be and are hereby approved and adopted in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with effect from the date the Company is continued into the British Virgin Islands.

Resolution 4 – Ordinary Resolution

THAT the directors of the Company be and are hereby authorized to undertake all such other things and acts and execute all such other documents which they consider necessary, desirable or expedient in connection with the implementation of Resolutions 1 to 3 above.

By order of the Board
Sino Stride Technology (Holdings) Limited
Cao Zhong
Chairman

Hong Kong, 3 November, 2008

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorized to sign the same.
- (2) Any member entitled to attend and vote at the meeting and who holds two or more shares of the Company is entitled to appoint one or more proxies to attend and, vote instead of him/her. A proxy need not be a member of the Company.
- (3) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the share registrars of the Company in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be) or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.
- (4) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (5) Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
- (6) A copy of the current memorandum of association and articles of association of the Company and a draft of the memorandum and articles of association of the Company to be adopted on redomicile to the British Virgin Islands will be available for inspection at the extraordinary general meeting of the Company.