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SINO ICT HOLDINGS LIMITED
芯成科技控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 00365)

**CONNECTED TRANSACTION IN RELATION TO
ENTERING INTO A CAPITAL INCREASE AGREEMENT**

The Board of the Company is pleased to announce that on 6 May 2021 (after trading hours), Sino IC Leasing, UNIC Capital, Bangle Industrial, Huxin Industrial and Sino ICT (Shaoxing) (an indirect wholly-owned subsidiary of the Company) entered into the Capital Increase Agreement, pursuant to which, Sino ICT (Shaoxing) has agreed to subscribe the additional registered capital of RMB7 million (equivalent to approximately HK\$8.38 million) of Huxin Industrial. Upon Completion, the Company will indirectly hold approximately 29.58% of the equity interests in Huxin Industrial and Huxin Industrial will become an associate of the Company.

THE IMPLICATION OF LISTING RULES

As at the date of this announcement, UNIC Capital is a controlling shareholder of the Company. It is indirectly interested in approximately 50.1% of equity interests in Sino Xin Ding Limited, which in turn owns approximately 67.85% of the issued shares of the Company and is the direct controlling shareholder of the Company, UNIC Capital is therefore a connected person under Chapter 14A of the Listing Rules. The Capital Increase therefore constitutes a connected transaction of the Company and is subject to requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Capital Increase is/are more than 0.1% but all are less than 5%, the Capital Increase constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (1) executive Directors Mr. Du Yang, Mr. Yuan I-Pei and Mr. Xia Yuan hold positions within Sino IC Leasing; (2) executive Directors Mr. Du Yang and Mr. Yuan I-Pei, and non-executive Director Mr. Li Jinxian hold positions within UNIC Capital; and (3) non-executive Director Mr. Li Yongjun holds positions within Bangle Industrial, each of the abovementioned Directors are deemed to have material interest in and have therefore abstained from voting on the resolutions of the Board approving the Capital Increase Agreement and the transactions contemplated thereunder.

INTRODUCTION

The Board of the Company is pleased to announce that on 6 May 2021 (after trading hours), Sino IC Leasing, UNIC Capital, Bangle Industrial, Huxin Industrial and Sino ICT (Shaoxing) (an indirect wholly-owned subsidiary of the Company) entered into the Capital Increase Agreement, pursuant to which, Sino ICT (Shaoxing) has agreed to subscribe the additional registered capital of RMB7 million (equivalent to approximately HK\$8.38 million) of Huxin Industrial. Upon Completion, the Company will indirectly hold approximately 29.58% of the equity interests in Huxin Industrial and Huxin Industrial will become an associate of the Company.

CAPITAL INCREASE AGREEMENT

The principle terms of the Capital Increase Agreement are summarised below:

- Date** : 6 May 2021
- Parties** : (1) Sino IC Leasing Co., Ltd.* (芯鑫融資租賃有限責任公司);
- (2) UNIC Capital Management Co., Ltd.* (中青芯鑫(蘇州工業園區)資產管理有限責任公司);
- (3) Shanghai Bangle Industrial Development Co., Ltd.* (上海邦樂實業發展有限公司);
- (4) Huxin (Shanghai) Industrial Co., Ltd.* (滬芯(上海)實業有限公司); and
- (5) Sino ICT (Shaoxing) Co., Ltd.* (芯成科技(紹興)有限公司), an indirect wholly-owned subsidiary of the Company.
- Capital Increase Amount** : RMB7 million (equivalent to approximately HK\$8.38 million). Sino ICT (Shaoxing) will fund the Capital Increase by self-finance of the Group.
- Payment terms** : Sino ICT (Shaoxing) shall pay a Capital Increase Amount of RMB7 million (equivalent to approximately HK\$8.38 million) within 10 Business Days from the date of satisfaction of all the following payment conditions:
- (i) Huxin Industrial has provided the relevant documents and materials of Huxin Industrial as requested by Sino ICT (Shaoxing);
- (ii) completion of the industrial and commercial change registration (工商變更登記) in respect of the Capital Increase; and

(iii) from the date of the Capital Increase Agreement (including the date of execution) to the date of payment of the Capital Increase Amount, there has been no material adverse change in Huxin Industrial and there is no injunction or similar order in effect that may prohibit or restrict either party from completing the transactions contemplated under the Capital Increase Agreement.

Restrictions on equity transfer and encumbrances

: The transfer of all or part of the equity interests in Huxin Industrial held by any of Sino IC Leasing, UNIC Capital, Bangle Industrial or Sino ICT (Shaoxing) (“**Transferring Party**”) shall be subject to the written consent of the other shareholders (“**Non-Transferring Party**”) in addition to the provisions of the laws and regulations of the PRC, the Capital Increase Agreement and the by-laws of Huxin Industrial.

If any Transferring Party intends to transfer all or part of its equity interests in Huxin Industrial to any third party, the Non-Transferring Party shall have the right to purchase the aforesaid equity interests on equal terms and conditions as the intended third party transfer, or the Non-Transferring Party shall have the right to designate a relevant third party to purchase the aforesaid equity interests on equal terms and conditions as the intended third party transfer.

Management and board composition of Huxin Industrial

: After the Capital Increase, the board of Huxin Industrial will consist of four directors. Each of Sino IC Leasing, UNIC Capital, Bangle Industrial and Sino ICT (Shaoxing) is entitled to nominate one director, respectively, subject to the approval of the board of directors of Huxin Industrial. The chairman of the board of directors of Huxin Industrial shall be the director nominated by Sino ICT (Shaoxing) subject to the approval of the board of directors of Huxin Industrial.

The board of supervisors of Huxin Industrial will consist of three members, including one employee representative. The chairman of the board of supervisors will be elected by majority vote of all supervisors. Directors and senior management of Huxin Industrial will not serve as supervisors.

The director nominated by Sino IC Leasing shall also be appointed as the general manager and the authorised representative of Huxin Industrial. The appointment of the general manager shall be subject to the approval of the board of directors of Huxin Industrial.

CAPITAL INCREASE

Before the Capital Increase, the registered capital of Huxin Industrial was RMB16.665 million (equivalent to approximately HK\$19.952 million), in which RMB6.665 million was contributed by Bangle Industrial, RMB6 million was contributed by Sino IC Leasing and RMB4 million was contributed by UNIC Capital. The total equity interests in Huxin Industrial was directly held by Bangle Industrial, Sino IC Leasing and UNIC Capital as to 39.99%, 36.00% and 24.00%, respectively.

Pursuant to the Capital Increase Agreement, Sino ICT (Shaoxing) agreed to subscribe the additional registered capital of RMB7 million (equivalent to approximately HK\$8.38 million) of Huxin Industrial. Upon Completion, the registered capital of Huxin Industrial will be increased to RMB23.665 million (equivalent to approximately HK\$28.332 million) and the total equity interests in Huxin Industrial will be directly held by Sino ICT (Shaoxing), Bangle Industrial, Sino IC Leasing and UNIC Capital as to approximately 29.58%, 28.16%, 25.35% and 16.90%, respectively. Upon Completion, Huxin Industrial will become an associate of the Company and will not be consolidated into the financial statements of the Group.

BASIS OF THE CAPITAL INCREASE AMOUNT

The Capital Increase Amount was determined after arm's length negotiation between Sino ICT (Shaoxing) and the existing shareholders of Huxin Industrial based on the registered capital of Huxin Industrial and the percentage of equity interest intended to be held by Sino ICT (Shaoxing) in Huxin Industrial after the Capital Increase.

INFORMATION ON THE GROUP

The Group principally engaged in SMT equipment manufacturing and related business, and securities investment.

INFORMATION ON SINO ICT (SHAOXING)

Sino ICT (Shaoxing) is a company established in the PRC with limited liability on 28 July 2020 with a registered capital of USD3 million, which is an indirect wholly-owned subsidiary of the Company. Sino ICT (Shaoxing) is mainly engaged in the wholesale, retail, leasing, transportation, warehousing, import and export trade and import and export agency services for electromechanical equipment, semiconductor equipment, integrated circuit chips and products, electronic components and other related products.

INFORMATION ON SINO IC LEASING

Sino IC Leasing is a company established in the PRC with limited liability. It is principally engaged in finance leasing and other leasing business. Sino IC Leasing is owned as to approximately 13.89% by Zhejiang Qixin Technology Limited* (浙江齊芯科技有限責任公司) (“**Zhejiang Qixin**”), as to approximately 5.24% by Tsinghua Unigroup Co., Ltd.* (紫光集團有限公司) (“**Tsinghua Unigroup**”) through its indirectly wholly-owned subsidiaries 西藏紫光清彩投資有限公司 and Unisplendour Xiangjiang Limited* (紫光香江有限公司) and approximately 80.87% by 17 other entities, amongst which, no individual entity owned over 10% equity interest in Sino IC Leasing.

Zhejiang Qixin is a company established in the PRC with limited liability and principally engaged in technology development and consultancy. Zhejiang Qixin is owned as to 99.9% by Jiaxing Qixin Equity Investment Partnership (Limited Partnership)* (嘉興齊芯股權投資合夥企業(有限合夥)) (“**Jiaxing Qixin**”) and 0.1% by Zhejiang Honghu Yuanzhi Corporate Management Limited* (浙江鴻鵠遠志企業管理有限公司) (“**Honghu Yuanzhi**”). As confirmed by Sino IC Leasing, as at the date of this announcement:

- (i) Zhejiang Honghu Mingrui Corporate Management Limited* (浙江鴻鵠明睿企業管理有限責任公司) (“**Honghu Mingrui**”) is the general partner of Jiaxing Qixin and is owned as to (a) 40% by Honghu Yuanzhi, which is in turn wholly-owned by Zhang Yan* (張彥), (b) 30% by Shanghai Rongji Equity Investment Fund Management Co., Ltd.* (上海熔禹股權投資基金管理有限公司), which is in turn owned by Ren Haopeng* (任浩鵬) and Li Yihan* (李藝涵), (c) 10% by Ningbo Meishan Free Trade Port Qingxin Qiande Equity Investment Partnership (Limited Partnership)* (寧波梅山保稅港區青芯乾德股權投資合夥企業(有限合夥)) (“**Ningbo Meishan**”), which is in turn wholly-owned by UNIC Capital, (d) 10% by Weimar Automotive Technology Group Co., Ltd.* (威馬汽車科技集團有限公司) (“**Weimar Automotive**”), (e) 5% by Jiaxing Yangtze River Delta Innovation Investment Group Co., Ltd.* (嘉興長三角創新投資集團有限公司) (“**Jiaxing Yangtze River**”) and (f) 5% by Haining Industrial Assets Management Co., Ltd.* (海寧市實業資產經營有限公司) (“**Haining Industrial Assets**”);
- (ii) Jiaxing Qixin is owned as to (a) approximately 37.92% collectively by Jiaxing Yangtze River and Haining Industrial Assets, being the single largest group of limited partners of Jiaxing Qixin and investment platforms through which the governments of Jiaxing City and Haining City (a county-level city under the jurisdiction of Jiaxing City) jointly invest in Jiaxing Qixin, (b) approximately 23.68% by Weimar Automotive, (c) approximately 23.68% equity interest by Ningbo Meishan, (d) approximately 14.24% by Shanghai Wanye Enterprise Co., Ltd.* (上海萬業企業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600641) and (e) approximately 0.47% by Honghu Mingrui; and
- (iii) The ultimate beneficial owners of Jiaxing Yangtze River and Haining Industrial Assets are the Financial Bureau of Jiaxing City (嘉興市財政局) and State-owned Assets Supervision and Administration Office of People’s Government of Haining City* (海寧市人民政府國資委), respectively.

INFORMATION ON UNIC CAPITAL

UNIC Capital is a company established in the PRC with limited liability on 27 July 2016 with a registered capital of RMB100 million. UNIC Capital is one of the controlling shareholders of the Company and it is indirectly interested in approximately 50.1% of equity interests in Sino Xin Ding Limited, which in turn owns approximately 67.85% of the issued shares of the Company and is the direct controlling shareholder of the Company. UNIC Capital is therefore a connected person of the Company. UNIC Capital is owned as to approximately 49.5% by Sino IC Leasing and as to approximately 49.0% by Zhongqing Xintou Holdings Co. Ltd.* (中青信投控股有限責任公司), which is a wholly-owned subsidiary of Tsinghua Unigroup. Tsinghua Unigroup is indirectly owned as to 51% by Tsinghua University in the PRC, which is state-owned. As confirmed by Sino IC Leasing, (i) UNIC Capital is not a subsidiary of Sino IC Leasing, and (ii) Sino IC Leasing and Tsinghua Unigroup are not under common control by any entity or person.

INFORMATION ON BANGLE INDUSTRIAL

Bangle Industrial is a company established in the PRC with limited liability on 28 May 2018 with a registered capital of RMB483 million. It is mainly engaged in business information consulting business and its business scope includes logistics equipment information consulting, real estate brokerage, etc. Bangle Industrial is indirectly wholly-owned by Shanghai Pudong Science and Technology Investment Co., Ltd.* (上海浦東科技投資有限公司), which is owned as to 51% by Shanghai Hongtianyuan Venture Capital Partnership (Limited Partnership)* (上海宏天元創業投資合夥企業(有限合夥)) (“**Shanghai Hongtianyuan**”). The general partner of Shanghai Hongtianyuan is Shanghai Hongtianyuan Investment Co., Ltd.* (上海宏天元投資有限公司) (“**Hongtianyuan Investment**”), being interested in approximately 0.6432% in Shanghai Hongtianyuan, and is in turn owned as to 37.4% by Zhu Xu Dong (朱旭東) and as to 60.6% by 11 other shareholders, which each of the 11 shareholders holds less than 14% interests in Hongtianyuan Investment. The single largest limited partner of Shanghai Hongtianyuan is Shanghai Hongtianyuan Investment Management Co., Ltd.* (上海宏天元投資管理有限公司) (“**Hongtianyuan Investment Management**”), which holds approximately 31.7% interests in Shanghai Hongtianyuan and is in turn owned as to 57.14286% by Hongtianyuan Investment. There are 9 other limited partners of Shanghai Hongtianyuan, which each of them holds less than 23% interests in Shanghai Hongtianyuan.

INFORMATION ON HUXIN INDUSTRIAL

Huxin Industrial is a company established in the PRC with limited liability on 29 December 2017 with a registered capital of RMB16.665 million (equivalent to approximately HK\$19.952 million). Huxin Industrial is mainly engaged in property services, car rental service, catering services, IT services, office supplies procurement services and other valued-added services in Shanghai, Beijing, Xiamen and Jiangsu.

Financial Information of Huxin Industrial

According to the audited consolidated financial statements of Huxin Industrial prepared in accordance to the Accounting Standards for Enterprises — Basic Standards, which is adopted in the PRC, the net profit or loss (before and after taxation and extraordinary items) of Huxin Industrial for the financial years ended 31 December 2020 and 31 December 2019 are set out as follows:

	For the year ended 31 December	
	2020	2019
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit or loss before taxation and extraordinary items	793,139.27	(1,109,940.99)
Net profit or loss after taxation and extraordinary items	793,139.27	(1,109,940.99)

Based on the audited consolidated financial statement of Huxin Industrial, the audited total asset and net asset of Huxin Industrial were approximately RMB26.299 million and approximately RMB15.070 million respectively as at 31 December 2020.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, saved as disclosed above, Sino IC Leasing, Bangle Industrial, Huxin Industrial and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

In recent years, the Company's business focus is to expand its existing SMT equipment manufacturing and semiconductor business, and also to actively explore business opportunities to the develop, manage and operate science and technology industrial parks in the PRC in order to expand new revenue and profit sources for the Company. The Company will continue to invest its resources in the abovementioned business areas.

Considering that (i) Huxin Industrial is principally engaged in the provision of property services including industrial parks operation and management services in the PRC, (ii) Huxin Industrial intends to establish subsidiaries in the PRC to focus on providing human resources and property operation and management services, and (iii) the Group proposes to actively explore the development, management and operation of science and technology industrial parks in the future, the Capital Increase enables the Company to directly obtain human resources and park operation and management support from Huxin Industrial. In light of the above, the Directors believe that the Capital Increase will enable the Company and Huxin Industrial to create synergy and assist the Group to expand into the technology property sector in the PRC.

The Directors (including the independent non-executive Directors except those Directors who had abstained from voting at the meeting of the Board) are of the view that the terms of the Capital Increase Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

THE IMPLICATION OF LISTING RULES

As at the date of this announcement, UNIC Capital is a controlling Shareholder of the Company. It is indirectly interested in approximately 50.1% of equity interests in Sino Xin Ding Limited, which in turn owns approximately 67.85% of the issued shares of the Company and is the direct controlling shareholder of the Company, UNIC Capital is therefore a connected person under Chapter 14A of the Listing Rules. The Capital Increase therefore constitutes a connected transaction of the Company and is subject to requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Capital Increase is/are more than 0.1% but all are less than 5%, the Capital Increase constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (1) executive Directors Mr. Du Yang, Mr. Yuan I-Pei and Mr. Xia Yuan hold positions within Sino IC Leasing; (2) executive Directors Mr. Du Yang and Mr. Yuan I-Pei, and non-executive Director Mr. Li Jinxian hold positions within UNIC Capital; and (3) non-executive Director Mr. Li Yongjun holds positions within Bangle Industrial, each of the abovementioned Directors are deemed to have material interest in and have therefore abstained from voting on the resolution of the Board approving the Capital Increase Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

“Bangle Industrial”	Shanghai Bangle Industrial Development Co., Ltd.* (上海邦樂實業發展有限公司), a company established in the PRC with limited liability
“Board”	the board of Directors of the Company
“Business Day(s)”	a day on which banks in the PRC are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Capital Increase”	the subscription of the additional registered capital of approximately RMB7 million (equivalent to approximately HK\$8.38 million) of Huxin Industrial pursuant to the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 6 May 2021 (after trading hours) entered into by Sino IC Leasing, UNIC Capital, Bangle Industrial, Huxin Industrial and Sino ICT (Shaoxing), pursuant to which Sino ICT (Shaoxing) has agreed to subscribe the additional registered capital of RMB7 million (equivalent to approximately HK\$8.38 million) of Huxin Industrial.

“Capital Increase Amount”	the capital increase amount in the sum of RMB7 million (equivalent to approximately HK\$8.38 million)
“Company”	Sino ICT Holdings Limited (Stock Code: 00365), a company incorporated in Bermuda with limited liability and the ordinary shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the transactions contemplated under the Capital Increase Agreement
“Connected person(s)”	as defined in the Listing Rules
“controlling shareholder”	as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huxin Industrial”	Huxin (Shanghai) Industrial Co., Ltd.* (滬芯(上海)實業有限公司), a company established in the PRC with limited liability
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratios”	as defined in the Listing Rules
“PRC”	People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“Sino IC Leasing”	Sino IC Leasing Co., Ltd.* (芯鑫融資租賃有限責任公司), a company established in the PRC with limited liability
“Sino ICT (Shaoxing)”	Sino ICT (Shaoxing) Co., Ltd.* (芯成科技(紹興)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UNIC Capital”	UNIC Capital Management Co., Ltd.* (中青芯鑫(蘇州工業園區)資產管理有限公司), a company established in the PRC with limited liability
“USD”	US Dollar, the lawful currency of the United States
“%”	per cent

By order of the Board of
Sino ICT Holdings Limited
Du Yang
Chairman

Hong Kong, 6 May 2021

As at the date of this announcement, the directors are Mr. Du Yang, Mr. Yuan I-Pei and Mr. Xia Yuan as executive directors; Mr. Li Yongjun and Mr. Li Jinxian as non-executive directors; and Mr. Cui Yuzhi, Mr. Bao Yi and Mr. Ping Fan as independent non-executive directors.

* *For identification purpose only*