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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)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES**

#### **THE DISPOSAL**

On 3 January 2020, the Company disposed on the open market of a total of 4,510,000 Legend Holdings Shares, at the price of HK\$16.1 per Legend Holdings Shares for an aggregate gross sale proceeds of approximately HK\$72,611,000 (exclusive of transaction costs).

#### **THE IMPLICATION OF LISTING RULES**

As one of the applicable percentage ratios for the Disposals exceeds 5% but is less than 25%, the Disposal constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules.

#### **THE DISPOSAL**

On 3 January 2020, the Company disposed on the open market of a total of 4,510,000 Legend Holdings Shares, at the price of HK\$16.1 per Legend Holdings Shares for an aggregate gross sale proceeds of approximately HK\$72,611,000 (exclusive of transaction costs). Upon completion of the Disposal, the Company no longer holds any Legend Holdings Share.

As the Disposal were made through the open market, the Company is not aware of the identity of the purchaser(s) of the Legend Holdings Shares. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the purchaser(s) of the Legend Holdings Shares and their ultimate beneficial owners are Independent Third Parties.

## **INFORMATION OF THE DISPOSED LEGEND HOLDINGS SHARES**

The Company disposed of a total of 4,510,000 Legend Holdings Shares, representing approximately 0.35% of the issued share capital of Legend Holdings (based on the 1,271,853,990 Legend Holdings Shares as at 31 December 2019 according to its monthly return dated 2 January 2020).

## **CONSIDERATION**

The aggregate gross sale proceeds of the Disposal is approximately HK\$72,611,000 (exclusive of transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented a discount on the closing price of the Legend Holdings Shares on the day of the Disposal. The Directors are of the view that the abovementioned basis of consideration is in accordance with the usual practice of similar transactions.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in design, manufacture and distribution of SMT product and related equipment, and securities investment.

As disclosed in the Company's interim report for the six months ended 30 June 2019 issued on 6 September 2019, the Group engaged in securities investment business with a low-frequency trading strategy, focusing on the upstream and downstream companies having synergy effect with the Company's main SMT equipment manufacturing business. At present, the investment is concentrated in high-tech companies listed on the Stock Exchange, mainly including the outstanding enterprises in such industries as semiconductor, computer and software. The Group has established a strict reporting mechanism to ensure that the management can promptly monitor all the investment activities, so as to mitigate the investment risks and ensure investment security.

Based on the recent market prices of the Legend Holdings Shares and the development strategy of the Group, the Company considers that the Disposal can re-allocate its resources to facilitate the Group's expansion of its principal business of SMT and semiconductor equipment manufacturing and other related business. As a result of the Disposal, the Group expects to recognise a loss of approximately HK\$7,125,800 which is calculated based on the difference between the fair value of the Legend Holdings Shares held by the Company as at 31 December 2019 and the consideration of the Legend Holdings Shares disposed (exclusive of transaction costs). The Group intended to use the proceeds of the Disposal for general working capital of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Disposal is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole having considered the recent market fluctuation and the size of Disposal.

## INFORMATION ON LEGEND HOLDINGS

Legend Holdings is a China-based diversified investment holding company. Legend Holdings mainly operates through six business segments. The Information Technology (IT) segment is engaged in the development, manufacture and sale of portable electronic products and other high-end technology products. The Financial Services segment is engaged in the provision of short-term financing services and customized financial solutions. The Modern Services segment is engaged in the provision of dental care and Internet healthcare services. The Agriculture and Food segment is engaged in the planting and sale of fruit and tea products. The New Materials segment is engaged in the provision of the fine chemical services. The Financial Investments segment is engaged in private equity investment, angel investment, venture capital investment and other investment businesses.

The following financial information is extracted from the annual reports of Legend Holdings:

	<b>Year Ended</b> <b>12/31/18</b> <i>RMB millions</i>	<b>Year Ended</b> <b>12/31/17</b> <i>RMB millions</i>	<b>Year Ended</b> <b>12/31/16</b> <i>RMB millions</i>
Revenue	358,920	316,263	294,746
Profit before tax	8,901	7,432	8,139
Profit after tax	7,541	4,858	7,985
Total assets	558,267	335,074	322,259

## THE IMPLICATION OF LISTING RULES

As one of the applicable percentage ratios for the Disposals exceeds 5% but is less than 25%, the Disposal constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“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

“Director(s)”	the director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“Disposal”	the disposal by the Group on the open market of 4,510,000 Legend Holdings Shares conducted on 3 January 2020 for an aggregate gross sale proceeds of approximately HK\$72,611,000 (exclusive of transaction costs)
“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
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“Legend Holdings”	Legend Holdings Corporation, a China-based diversified investment holding company, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 03396).
“Legend Holdings Shares”	the H share(s) of RMB 1 each in the share capital of Legend Holding
“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
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 3 January 2020

*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 Jinxian and Mr. Li Yongjun as non-executive directors; and Mr. Cui Yuzhi, Mr. Bao Yi and Mr. Ping Fan as independent non-executive directors.*