

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SINO ICT HOLDINGS LIMITED

芯成科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00365)

DISCLOSEABLE TRANSACTIONS IN RELATION TO COOPERATION FRAMEWORK AGREEMENT, REPURCHASE AGREEMENT AND PROVISION OF GUARANTEE

COOPERATION FRAMEWORK AGREEMENT

On 6 July 2020 (after trading hours), Sun East Intelligent Equipment Technology (Shenzhen), a wholly-owned subsidiary of the Company, entered into the Cooperation Framework Agreement with Sino IC Leasing (Shenzhen). The Cooperation Framework Agreement sets out the framework for three types of finance lease arrangements between Sino IC Leasing (Shenzhen), Sun East Intelligent Equipment Technology (Shenzhen) and/or the Customers during a term of three years from the date of the Cooperation Framework Agreement. Sino IC Leasing (Shenzhen), Sun East Intelligent Equipment Technology (Shenzhen) and/or the Customers will during such term and as necessary enter into separate finance lease agreements for each specific finance lease under the Cooperation Framework Agreement. The total amount of lease payment shall be determined by the actual financing amount incurred pursuant to the Respective Agreements but shall not exceed RMB150 million (equivalent to approximately HK\$164.355 million) (exclusive of interest payments).

REPURCHASE AGREEMENT

On 6 July 2020 (after trading hours), Sun East Intelligent Equipment Technology (Shenzhen) entered into the Repurchase Agreement with Sino IC Leasing (Shenzhen), pursuant to which, in the event of default of payment obligations of the Customers under the Respective Agreements, Sun East Intelligent Equipment Technology (Shenzhen) shall repurchase the equipment being the subject matter under the Customer Finance Lease Arrangement from Sino IC Leasing (Shenzhen) and settle the balances payable to Sino IC Leasing (Shenzhen) by the Customers under the Respective Agreements. The total amount for the repurchase of equipments and balances payable under the Repurchase Agreement shall not exceed RMB150 million (equivalent to approximately HK\$164.355 million).

PROVISION OF GUARANTEE

On 6 July 2020 (after trading hours), the Company, as a guarantor, entered into the Guarantee Agreement with Sino IC Leasing (Shenzhen), pursuant to which the Company agreed to provide a guarantee in the maximum amount of RMB150 million (equivalent to approximately HK\$164.355 million) in favour of Sino IC Leasing (Shenzhen), for the due performance of the obligations of Sun East Intelligent Equipment Technology (Shenzhen) to Sino IC Leasing (Shenzhen) under the Cooperation Framework Agreement, the Repurchase Agreement and the Respective Agreements.

THE IMPLICATION OF LISTING RULES

The transactions contemplated under the Cooperation Framework Agreement, the Repurchase Agreement and the Guarantee Agreement are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the transactions contemplated under the Cooperation Framework Agreement, the Repurchase Agreement and the Guarantee Agreement, when calculated on a standalone basis or an aggregated basis, exceed 5% but is less than 25%, the entering into of the Cooperation Framework Agreement, the Repurchase Agreement and the Guarantee Agreement constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements of the Listing Rules but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

COOPERATION FRAMEWORK AGREEMENT

On 6 July 2020 (after trading hours), Sun East Intelligent Equipment Technology (Shenzhen), a wholly-owned subsidiary of the Company, entered into the Cooperation Framework Agreement with Sino IC Leasing (Shenzhen), the principal terms of which are as follows:-

Date: 6 July 2020 (after trading hours)

Parties: (1) Sino IC Leasing (Shenzhen)
(2) Sun East Intelligent Equipment Technology (Shenzhen)

Sino IC Leasing (Shenzhen) is owned as to 51% by Sino IC Leasing and 49% by the Unisplendour Investment Holding Co. Limited, an indirectly wholly-owned subsidiary of the Company. Sino IC Leasing is interested in 49.5% of Unic Capital, being one of the Controlling Shareholders. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save as disclosed above, Sino IC Leasing and its ultimate beneficial owners are the Independent Third Parties independent from the Company and the connected parties (as defined in the Listing Rules) of the Company.

The Cooperation Framework Agreement sets out the framework for three types of finance lease arrangements between Sino IC Leasing (Shenzhen), Sun East Intelligent Equipment Technology (Shenzhen) and/or the Customers during a term of three years from the date of the Cooperation Framework Agreement. Sino IC Leasing (Shenzhen), Sun East Intelligent Equipment Technology (Shenzhen) and/or the Customers will during such term and as necessary enter into separate finance lease agreements for each specific finance lease under the Cooperation Framework Agreement (the “**Respective Agreements**”).

**Finance lease
arrangements under
the Cooperation
Framework
Agreement:**

Direct finance lease arrangement in respect of the purchase of equipment

Sino IC Leasing (Shenzhen) shall provide direct finance lease arrangement to Sun East Intelligent Equipment Technology (Shenzhen) in respect of the purchase of equipment, and Sun East Intelligent Equipment Technology (Shenzhen) shall rent such equipment from Sino IC Leasing (Shenzhen). The legal ownership of such equipment will be rested in Sino IC Leasing (Shenzhen) throughout the lease term under the Respective Agreements. Upon the end of such lease term, provided that Sun East Intelligent Equipment Technology (Shenzhen) has fulfilled all of its obligations under the Respective Agreements, Sino IC Leasing (Shenzhen) could transfer such equipment to Sun East Intelligent Equipment Technology (Shenzhen).

Buy-back finance lease arrangement in respect of fixed assets

Sino IC Leasing (Shenzhen) shall purchase existing fixed assets such as equipment from Sun East Intelligent Equipment Technology (Shenzhen) and Sun East Intelligent Equipment Technology (Shenzhen) shall rent such fixed assets from Sino IC Leasing (Shenzhen). The legal ownership of such fixed assets will be rested in Sino IC Leasing (Shenzhen) throughout the lease term under the Respective Agreements. Upon the end of such lease term, provided that Sun East Intelligent Equipment Technology (Shenzhen) has fulfilled all of its obligations under the Respective Agreements, Sun East Intelligent Equipment Technology (Shenzhen) will buy back such fixed assets from Sino IC Leasing (Shenzhen).

Direct finance lease arrangement in respect of the sales of equipment

Sino IC Leasing (Shenzhen) shall provide direct finance lease arrangement to the Customers in respect of its purchase of equipment from Sun East Intelligent Equipment Technology (Shenzhen), and the Customers shall rent such equipment from Sino IC Leasing (Shenzhen). The legal ownership of such equipment will be rested in Sino IC Leasing (Shenzhen) throughout the lease term under the Respective Agreements. Upon the end of such lease term, provided that the Customers have fulfilled all of their obligations under the Respective Agreements, Sino IC Leasing (Shenzhen) could transfer such equipment to the Customers (collectively, the “**Customer Finance Lease Arrangement**”).

Sino IC Leasing (Shenzhen) and Sun East Intelligent Equipment Technology (Shenzhen) have entered into the Repurchase Agreement in respect of the Customer Finance Lease Arrangement. For further details of the Repurchase Agreement, please refer to the paragraph headed “Repurchase Agreement” below.

Lease payment:

The total amount of lease payment shall be determined by the actual financing amount incurred pursuant to the Respective Agreements but shall not exceed RMB150 million (equivalent to approximately HK\$164.355 million) (exclusive of interest payments). The terms of the Cooperation Framework Agreement, including finance lease principals, finance lease interest rates and other expenses under the Cooperation Framework Agreement, were determined after arm’s length negotiations between the parties to the Cooperation Framework Agreement with reference to the principal amount of the leases, the interest risk of financing, the loan prime rate published by the National Interbank Funding Center from time to time, the credit risks associated with the finance leases, and the prevailing market prices of finance lease products in the same category in the PRC.

REPURCHASE AGREEMENT

On 6 July 2020 (after trading hours), Sun East Intelligent Equipment Technology (Shenzhen) entered into the Repurchase Agreement with Sino IC Leasing (Shenzhen), pursuant to which, in the event of default of payment obligations of the Customers under the Respective Agreements, Sun East Intelligent Equipment Technology (Shenzhen) shall repurchase the equipment being the subject matter under the Customer Finance Lease Arrangement from Sino IC Leasing (Shenzhen) and settle the balances payable to Sino IC Leasing (Shenzhen) by the Customers under the Respective Agreements. The total amount for the repurchase of equipments and balances payable under the Repurchase Agreement shall not exceed RMB150 million (equivalent to approximately HK\$164.355 million).

PROVISION OF GUARANTEE

On 6 July 2020 (after trading hours), the Company, as a guarantor, entered into the Guarantee Agreement with Sino IC Leasing (Shenzhen), pursuant to which the Company agreed to provide a guarantee in the maximum amount of RMB150 million (equivalent to approximately HK\$164.355 million) in favour of Sino IC Leasing (Shenzhen), for the due performance of the obligations of Sun East Intelligent Equipment Technology (Shenzhen) to Sino IC Leasing (Shenzhen) under the Cooperation Framework Agreement, the Repurchase Agreement and the Respective Agreements.

Principal terms of the Guarantee Agreement

Date: 6 July 2020 (after trading hours)

Parties: (1) Sino IC Leasing (Shenzhen), as the guarantee; and
(2) the Company, as the guarantor

Scope of the Guarantee: The aggregate amount of the guarantee is up to RMB150 million (equivalent to approximately HK\$164.355 million) for the due performance of the obligations of Sun East Intelligent Equipment Technology (Shenzhen) to Sino IC Leasing (Shenzhen) under the Cooperation Framework Agreement, the Repurchase Agreement and the Respective Agreements

Term of the Guarantee: commencing from the effective date of the Guarantee Agreement and ending on the date of two years after the expiry of the obligation under the Respective Agreements

Source of funding for the fulfillment of the Guarantee: Any payment obligations of the Company arising from the Guarantee Agreement will be satisfied by internal resources of the Group.

INFORMATION REGARDING THE PARTIES INVOLVED IN THE TRANSACTIONS

Information on the Company

The Company is a company incorporated in Bermuda with limited liability, and its shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in SMT equipment manufacturing, and securities investment.

Information on Sun East Intelligent Equipment Technology (Shenzhen)

Sun East Intelligent Equipment Technology (Shenzhen) is a company established in PRC with limited liability. It is an indirect wholly-owned subsidiary of the Company. It is engaged in SMT equipment manufacturing business.

Information on Sino IC Leasing (Shenzhen)

Sino IC Leasing (Shenzhen) is a company established in the PRC with limited liability. It is owned as to 51% by Sino IC Leasing and 49% by the Company. It is engaged in financing and leasing business including factoring, investment consulting, enterprise management consulting, guarantee business, supply chain management, online-commerce activities, domestic trade, and export and import business. Its controlling shareholder Sino IC Leasing is the first domestic financial leasing company focused on the integrated circuit industry with a registered capital of RMB10.65 billion. Sino IC Leasing is owned as to 32.31% by China Integrated Circuit Industry Investment Fund Co. Ltd.*(國家集成電路產業投資基金股份有限公司), which in turn is owned as to 36.47% by the Ministry of Finance of PRC, being the largest single shareholder. Sino IC Leasing has strong industrial and financial resource integration advantages.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As a leading enterprise within the SMT equipment manufacturing industry, the Company has been closely following the market demand and continues to launch quality mid-to-high-end products and related equipment solutions, successfully grasping the market opportunities, distinguishing itself from the competition and growing in the industry. At the same time, the Group also actively seeks and explores various development opportunities with close ties to the SMT equipment manufacturing industry, in order to leverage on the advantages of industry synergies to enhance the overall synergy benefits of the Group and provide to customers with more comprehensive and diversified products and solutions.

Through the cooperation between the Company, Sun East Intelligent Equipment Technology (Shenzhen) and Sino IC Leasing (Shenzhen), the Company combines the SMT business with the financing and leasing mode. Apart from helping the Company to further expand its existing business, including agency business, it will also enhance the Company's cash and liquidity. We hope to help customers to solve the dilemma of having difficulty in obtaining bank credit support due to various reasons, match the actual financing demand of customers and relieve their liquidity pressure. For customers who are required to invest a large amount of capital upfront during the construction period and the ramp-up period of production capacity, the Company will help customers to reduce financial pressure, enhance their investment enthusiasm, which will in turn benefit the Company's SMT equipment manufacturing and related business.

In light of the above, the Directors are of the view that the transactions contemplated under the Cooperation Framework Agreement, the Repurchase Agreement and the Guarantee Agreement are on normal commercial terms and the terms of such agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The transactions contemplated under the Cooperation Framework Agreement, the Repurchase Agreement and the Guarantee Agreement are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the transactions contemplated under the Cooperation Framework Agreement, the Repurchase Agreement and the Guarantee Agreement, when calculated on a standalone basis or an aggregated basis, exceed 5% but is less than 25%, the entering into of the Cooperation Framework Agreement, the Repurchase Agreement and the Guarantee Agreement constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements of the Listing Rules but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless then 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
“Controlling Shareholder”	as defined in the Listing Rules
“Cooperation Framework Agreement”	the cooperation framework agreement dated 6 July 2020 (after trading hours) entered into by Sun East Intelligent Equipment Technology (Shenzhen) and Sino IC Leasing (Shenzhen)
“Customers”	the customers of Sun East Intelligent Equipment Technology (Shenzhen)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement dated 6 July 2020 (after trading hours) entered into by Sino IC Leasing (Shenzhen) and the Company, pursuant to which the Company agreed to provide a guarantee in favour of Sino IC Leasing (Shenzhen), for the due performance of the obligations of Sun East Intelligent Equipment Technology (Shenzhen) to Sino IC Leasing (Shenzhen) under the Cooperation Framework Agreement
“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

“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
“Repurchase Agreement”	the repurchase agreement dated 6 July 2020 (after trading hours) entered into by Sun East Intelligent Equipment Technology (Shenzhen) and Sino IC Leasing (Shenzhen)
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“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 incorporated in the PRC with limited liability
“Sino IC Leasing (Shenzhen)”	Sino IC Leasing (Shenzhen) Co., Ltd.* (芯鑫融資租賃（深圳）有限責任公司), a company incorporated in the PRC with limited liability. It is owned as to 51% by Sino IC Leasing and 49% by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun East Intelligent Equipment Technology (Shenzhen)”	Sun East Intelligent Equipment Technology (Shenzhen) Limited* (日東智能裝備科技（深圳）有限公司), formally known as Unisplendour Sun East Technology (Shenzhen) Limited* (紫光日东科技（深圳）有限公司), a company incorporated in PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Unic Capital”	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), a company established in the PRC with limited liability, being one of the Controlling Shareholders, which owns as to 50.1% of Shanghai Qingxin Enterprise Management Consulting Co., Ltd.* (上海青芯企業管理諮詢有限公司), which in turn indirectly owns 67.85% of the Company through Sino Xin Ding Limited (芯鼎有限公司)
“%”	per cent

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

Hong Kong, 6 July 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.

** For identification purpose only*