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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 FURTHER DISPOSAL OF LISTED SECURITIES

THE DISPOSALS

Through a series of disposals on 18 January 2021, the Company further disposed on the open market of a total of 1,956,000 SMIC Shares, at an average selling price of HK\$29.19 per SMIC Share for an aggregate gross sale proceeds of approximately HK\$56,914,301.73 (net of transaction costs).

THE IMPLICATION OF LISTING RULES

Since the Disposals were conducted within 12 months of the completion of the Previous Disposals, the Previous Disposals and the Disposals were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of each of (i) the Disposals (standing alone); and (ii) the Previous Disposals and the Disposals (in aggregate) exceeds 5% but less than 25%, each of (i) the Disposals (standing alone); and (ii) the Previous Disposals and the Disposals (in aggregate) constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements of the Listing Rules.

PREVIOUS DISPOSALS

Reference is made to the announcement of the Company dated 13 February 2020 in respect of the Previous Disposals. Through a series of disposals on 13 February 2020, the Company disposed on the open market of a total of 4,520,000 SMIC Shares, at an average selling price of HK\$17.17 per SMIC Share for an aggregate gross sale proceeds of approximately HK\$77,605,236.00 (net of transaction costs).

THE DISPOSALS

Through a series of disposals on 18 January 2021, the Company further disposed on the open market of a total of 1,956,000 SMIC Shares, at an average selling price of HK\$29.19 per SMIC Share for an aggregate gross sale proceeds of approximately HK\$56,914,301.73 (net of transaction costs). Upon completion of the Disposal, the Company no longer holds any SMIC Share.

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

INFORMATION OF THE DISPOSED SMIC SHARES

On 18 January 2021, the Company disposed of a total of 1,956,000 SMIC Shares, representing approximately 0.03% of the issued share capital of SMIC (based on the 5,956,250,329 SMIC Shares according to its next day disclosure return dated 15 January 2021).

CONSIDERATION

The aggregate gross sale proceeds of the Disposals is approximately HK\$56,914,301.73 (net of transaction costs), which is receivable in cash on settlement. The consideration for the Disposals represented the market price of the SMIC Shares at the time of the Disposals.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company is a company incorporated in Bermuda with limited liability and is principally engaged in investment holding. 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 2020 issued on 18 September 2020, 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 SMIC Shares and the development strategy of the Group, the Company considers that the Disposals 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 Disposals, the Group expects to recognise a gain of approximately HK\$13,686,701.73 which is calculated based on the difference between the fair value of the SMIC Shares held by the Company as at 31 December 2020 and the consideration of the SMIC Shares disposed (net of transaction costs). The Group intended to use the proceeds of the Disposals for general working capital of the Group.

As the Disposals were made at the market price, the Directors (including the independent non-executive Directors) are of the view that the Disposals were fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON SMIC

SMIC is a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00981) and the Science and Technology Innovation Board of the Shanghai Stock Exchange (Stock Code: 688981). SMIC is mainly engaged in manufacturing and sales of wafers. The company operates two segments. The sales of wafers segment produces and sells wafers which are applied in a range of products, including power management integrated circuit (PMIC), battery management integrated circuit (BMIC), microprocessor (MCU), CMOS Image Sensors (CIS), RF and wireless connectivity, touch controller integrated circuit (TCIC) and other products. The Mask Making, Testing and Other segment manufactures semiconductor masks and provides wafer testing services.

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

	Year Ended 12/31/19 <i>US\$ thousands</i>	Year Ended 12/31/18 <i>US\$ thousands</i>	Year Ended 12/31/17 <i>US\$ thousands</i>
Revenue	3,115,672	3,359,984	3,101,175
Profit before tax	182,278	91,687	128,269
Profit after tax	158,860	77,211	126,423
Total assets	16,437,820	14,424,320	11,918,451

The unaudited net assets of SMIC as at 30 June 2020 as disclosed in the interim report of SMIC for the six months ended 30 June 2020 was approximately US\$13,177,675,000.

THE IMPLICATION OF LISTING RULES

Since the Disposals were conducted within 12 months of the completion of the Previous Disposals, the Previous Disposals and the Disposals were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of each of (i) the Disposals (standing alone); and (ii) the Previous Disposals and the Disposals (in aggregate) exceeds 5% but less than 25%, each of (i) the Disposals (standing alone); and (ii) the Previous Disposals and the Disposals (in aggregate) constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are 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
“Disposals”		the disposals by the Group on the open market of 1,956,000 SMIC Shares conducted on 18 January 2021 for an aggregate gross sale proceeds of approximately HK\$56,914,301.73 (net 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 Party”	Third	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
“Previous Disposals”	the disposals of an aggregated of 4,520,000 SMIC Shares by the Company on the market through the Stock Exchange for an aggregate gross proceeds of approximately HK\$77,605,236.00 (net of transaction costs) on 13 February 2020
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“SMIC”	Semiconductor Manufacturing International Corporation, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00981) and the Science and Technology Innovation Board of the Shanghai Stock Exchange (Stock Code: 688981)
“SMIC Share”	the ordinary share(s) of US\$0.004 each in the share capital of SMIC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 18 January 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 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.