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芯成科技
- SINO ICT -

SINO ICT HOLDINGS LIMITED

芯成科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00365)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual results announcement of Sino ICT Holdings Limited (the “**Company**” and, together with its subsidiaries, collectively the “**Group**”) for the year ended 31 December 2020 (the “**Annual Results Announcement**”) published on 31 March 2021 and the announcement related to the change of accounting policy dated 27 August 2020 (the “**Announcement on Change in Accounting Policy**”). Unless otherwise defined, capitalised terms used herein share bear the same meanings as those defined in the Annual Results Announcement and the Announcement on Change in Accounting Policy.

Details of and Reasons to the Restatement of the Consolidated Financial Statements

As disclosed in the Announcement on Change in Accounting Policy and Note 3(c) of the notes to consolidated financial statements in the Annual Results Announcement, the board (the “**Board**”) of the directors of the Company has approved the change in accounting policy of the measurement of properties and plants held by the Group from the revaluation model to the historical cost model with effect from 27 August, 2020. As the change in accounting policy involves a change in the measurement of the Group’s properties and plants, the Company is required to make retrospective adjustments and restatement of the consolidated financial statements of the Group for the year ended 31 December 2019. Other than the abovementioned reason, the restatement of the consolidated financial statements of the Group for the year ended 31 December 2019 in the Annual Results Announcement was not attributable to any other factors.

Effect of Change in Accounting Policy on Consolidated Financial Statements

The tables below set forth a comparison of the before and after restatement of figures in the consolidated financial statements for the year ended 31 December 2019 in the Annual Results Announcement:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Year ended 31 December 2019	Impact of change in accounting policy	Year ended 31 December 2019 (Restated)
	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>
Administrative costs	(61,813)	2,703	(59,110)
Operating profit	4,768	2,703	7,471
Loss before income tax	(9,505)	2,703	(6,802)
Income tax expense	(4,068)	(741)	(4,809)
Loss for the year attributable to equity holders of the Company	(13,573)	1,962	(11,611)
Other comprehensive income			
<i>Item(s) that will not be reclassified subsequently to profit or loss</i>			
Surplus on revaluation of properties	362	(362)	—
Deferred tax relating to revaluation surplus	82	(82)	—
Loss arising from conversion from owner-occupied property to investment property	—	(773)	(773)
<i>Item(s) that may be classified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	(226)	(992)	(1,218)
Other comprehensive loss for the year, net of tax	218	(2,209)	(1,991)
Total comprehensive loss for the year	(13,355)	(247)	(13,602)
Basic losses per share	(0.93) Cents	0.13 Cents	(0.80) Cents
Diluted losses per share	(0.93) Cents	0.13 Cents	(0.80) Cents

CONSOLIDATED BALANCE SHEET	As at 31 December 2019	Impact of change in accounting policy	As at 31 December 2019 (Restated)
	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>
ASSETS			
Property, plant and equipment	105,762	(31,823)	73,939
TOTAL ASSETS	731,271	(31,823)	699,448
EQUITY			
Other reserves	674,358	(64,462)	609,896
Accumulated losses	(600,329)	39,039	(561,290)
TOTAL EQUITY	314,769	(25,423)	289,346
LIABILITIES			
Deferred income tax liabilities	12,901	(6,400)	6,501
TOTAL LIABILITIES	416,502	(6,400)	410,102

CONSOLIDATED BALANCE SHEET	As at 1 January 2019	Impact of change in accounting policy	As at 1 January 2019 (Restated)
	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>
ASSETS			
Property, plant and equipment	139,115	(36,333)	102,782
TOTAL ASSETS	671,247	(36,333)	634,914
EQUITY			
Other reserves	674,140	(62,253)	611,887
Accumulated losses	(586,756)	37,077	(549,679)
TOTAL EQUITY	328,124	(25,176)	302,948
LIABILITIES			
Deferred income tax liabilities	14,410	(11,157)	3,253
TOTAL LIABILITIES	343,123	(11,157)	331,966

Financial Impacts

The change in accounting policy has impacts on the figures of individual items in the consolidated financial statements of the Company, and therefore has an impact on the consolidated financial information of the Group. Based on the audited consolidated results of the Group before and after the restatement for the year ended 31 December 2019, the principal items affected include: (1) an increase in total comprehensive loss for the year of approximately HK\$247,000; (2) a decrease in total assets of approximately HK\$31,823,000; (3) a decrease in total equity of approximately HK\$25,423,000; and (4) a decrease in total liabilities of approximately HK\$6,400,000. Overall, the management of the Company believes that the change in accounting policy is more in line with the industry practice and is more advantageous in the long run by minimising the volatility of asset values and the fluctuations in profits arising from such volatility.

The information contained in this announcement does not affect any information contained in the Annual Results Announcement and all information in the Annual Results Announcement remains unchanged.

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

Hong Kong, 12 April 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.